

# **Catalog of Urban Revitalization Programs**

**Commission on Local Government  
Commonwealth of Virginia**

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of the  
Virginia Commission  
on  
Local Government***

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## INTRODUCTION

In the last half of the Twentieth Century, policymakers and researchers have devoted much attention to the plight of the nation's urban areas. Following the end of the Second World War, municipalities in Virginia and the United States experienced profound changes in their demographic, social, and economic conditions. Although those changes were spurred initially by federal programs, such as the construction of the interstate highway system, urban renewal, and federally-insured home mortgages, in the 1960s the national government began directing resources to address problems of the cities in hopes of reversing the trends. The economic disruption of the national economy in the 1970s and a change in political philosophy resulted in a significant reduction in total federal intergovernmental aid, but the aggregate impact on the cities appears to have been more severe.

In the face of declining federal assistance to cities, local officials, business leaders, private foundations, and citizen organizations throughout the nation have mobilized to revitalize urban areas. Using a variety of financing mechanisms, as well as creativity and commitment of the individuals involved, workable solutions have been successfully implemented to address such seemingly intractable municipal problems as housing, economic development, transportation, and crime. This directory is an attempt to describe some of those innovative programs.

This publication has two purposes. Its primary purpose is to serve as a resource to State and local officials seeking information on some of the notable urban revitalization programs implemented in Virginia and elsewhere. The second purpose is to record for the benefit of those officials the array of activities to deal with urban problems that are available to cities. In either instance, this compilation should be of value in analyzing the variety of options available.

The staff of the Commission on Local Government acknowledges that no one document could capture the breadth and variety of programs that foster city renewal because new responses to urban concerns are initiated regularly throughout the United States. To ensure that up-to-date information is available, however, a listing of urban revitalization resources that can be found on the Internet has been included with this catalog.

## **TAX INCREMENT FINANCING - OVERVIEW**

Tax Increment Financing (TIF)

### **Description of Major Features of TIF**

Tax Increment Financing is a method of paying for redevelopment in a specified district with the new tax revenue generated by the increase in property values of the property following redevelopment. Improvements in the district are usually financed with bonds issued by a redevelopment authority, and the debt on the bonds is retired with the tax revenue increment generated by the increased assessed value of the redeveloped property.

The property in the designated redevelopment district is assessed before improvements begin in order to establish a base value, and the tax revenue from this base value continues to be collected by the locality and other taxing jurisdictions. As improvements to the property generate additional tax revenues, it is this increase, or increment, that is used to retire the capital improvement bonds. When these bonds are retired, the locality and other taxing jurisdictions collect the increased revenue from the higher property values.

Tax Increment Financing does not raise taxes. It is not an extra assessment or service tax. Interest on TIF bonds is usually higher than that on general obligation bonds because of the risk in speculating that property value will increase in a redevelopment area. In states where TIF is utilized frequently, TIF bonds function as a special financing entity or are treated similarly to revenue bonds in that they are not subject to statutory limitations on allowable debt.

Tax Increment Financing is predominately used to leverage private investment in the redevelopment district. The public investment in a TIF district is usually in the form of capital improvements: streets, curbs, sidewalks, sewer, water, lighting, and other utilities. TIF districts are usually small in area.

### **Federal Involvement**

Federal law refers to Tax Increment Financing in terms of bond type and taxation classification.

11 U. S. C. Title 11 Bankruptcy.

23 U. S. C. Title 23 Highways.

26 U. S. C. §103 Interest on State and Local Bonds.

## **Extent of Utilization of Program**

Tax Increment Financing was first sanctioned in California in 1952. Although 44 states currently authorize TIF, not all cities within those states use that method of redevelopment financing. Some notable examples of the extensive use of TIF include:

- As of 1998, California had more than 350 TIF districts and over 700 TIF projects.
- Minnesota has more than 1,400 TIF districts in over 360 cities and towns.
- Kansas City, Missouri had more than 20 TIF projects on more than 220 parcels of land.
- From 1984 to 1994 the number of TIF projects in Cook County, Illinois (Chicago) rose from seven to 144.

Tax Increment Financing legislation has been amended over the years in many states, resulting in numerous variations of the program. California, Wisconsin, and Minnesota compensate affected school districts for the funding they would normally receive from the increased property values in the redevelopment district. Texas limits TIF projects to 15 years, while in Kansas, TIF can only be used for commercial revitalization. Illinois law allows TIF to be used in areas which may become blighted in the future. Maine requires an advisory board for each district. Many states allow incremental increases on sales and utility taxes to be captured in TIF districts along with property taxes, while in other states TIF collection from such non-property taxes is restricted. In most instances, it is redevelopment authorities that utilize the program through their bond issuing powers.

States with broad experience in the use of Tax Increment Financing include California, Minnesota, Illinois, Florida, Missouri, Indiana, Michigan, Wisconsin, and Colorado.

## **Statutory Authority for Utilization in Virginia**

Tax Increment Financing has been authorized in Virginia since 1988. As of 1999 the City of Virginia Beach is the only locality in the Commonwealth to have utilized Tax Increment Financing.

The use of Tax Increment Financing must comply with the requirements of Virginia's Public Finance Act, which treats TIF bonds in the

same manner as general obligation bonds. Since general obligation bonds have a lower interest rate, however, they are the more attractive financing option.

§58.1-3245 et seq., Code of Virginia

### **Effectiveness of Program**

For Tax Increment Financing to work, the project must generate enough additional property taxes to pay for the bonds issued. Therefore, these projects must be carefully planned.

A review of 400 TIF districts in Minnesota found that the vast majority generate sufficient revenues to pay for themselves. A study of TIF in non-metropolitan Minnesota communities, however, found that 5 of 11 projects did not generate sufficient funds to service the debt, suggesting that TIF is best utilized where property values will increase quickly. In 1995, California TIF agencies received 8% of all property tax revenues in that state, amounting to approximately \$1.5 billion. A study of 38 projects in three California counties reported that only four produced adequate revenues, and the state was obliged to provide \$38 million in subsidies to these projects. Kansas City, Missouri projects are expected to add more than \$800 million in taxable property valuations, and a report from Chicago, Illinois states that when the last TIF district is completed in 2020, the city will receive over \$240 million annually in increased property tax revenue.

Originally created as a method to finance infrastructure and capital improvements on small parcels that would not otherwise be revitalized, TIF is now utilized for all kinds of projects around the nation, from warehouse conversions of several thousand dollars to large areas of cities requiring millions of dollars in bonds to be issued.

Proponents of TIF see this option as a way of financing revitalization without raising taxes or using general fund money. They believe that it allows for improvements and investment in areas that would not have been otherwise redeveloped, which produces increased income for the locality that could not have been created without such financing, and the resulting redevelopment improves the quality of life for the citizens by reducing blight and creating jobs.

Critics of TIF view it as another form of “corporate welfare,” arguing that a locality pays for improvements that principally benefit developers, and that the public investment is reimbursed with increased real estate taxes that would have been collected anyway. Others contest that TIF has been used to gentrify lower-income neighborhoods, displacing existing residents. This argument, however, addresses the type of project more than the method of financing. Many believe that for large and expensive projects, the

typical period of 15 to 25 years required to retire the bonds is too long to wait for the benefits of the additional revenue. This is particularly true if the development has burdened the locality with additional service requirements such as schools, police, and fire protection.

Tax Increment Financing has weathered many challenges in state courts, including arguments concerning due process, equal protection, tax uniformity, voter approval of bonds, public credit, legislative credit, and tax disbursement. As stated previously, many states have amended their TIF laws to restrict or expand its use.

In sum, TIF has been used to great advantage and purpose, revitalizing properties in cities that were blighted, unproductive, and decaying, and adding revenue to the general fund. Further, this method of financing has been used to turn poor neighborhoods into wealthier districts at the cost of neighborhood displacement, or that some projects do not pay for themselves and must be subsidized with other funds. Finally, many successful TIF projects are often small in area and concentrate on a specific blighted property or brownfield.

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Stinson, Thomas F., "Subsidizing Local Economic Development Through Tax Increment Financing: Costs in Non-Metro Communities in Southern Minnesota," **Policy Studies Journal**, Vol. 20, No. 2, 1992.

Von Mosch, Susan, Project Director, "Tax Increment Financing," (96-06) Minnesota Office of the Legislative Auditor, St. Paul, Minnesota, 1996.

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Kansas City, MO 64110  
Tel. 816-235-2832

**PROGRAM/PROJECT**

Circle Centre Mall  
Indianapolis, Indiana

**CONTACT**

The Indianapolis Project, Inc.  
One RCA Dome, Suite 110  
Indianapolis, IN 46225  
Tel. 317-639-4773

**DESCRIPTION**

Indianapolis has revitalized its downtown with an 800,000 square-foot mall of department stores, specialty shops, nightclubs, restaurants, cinema, and entertainment venues. It is connected by walkways with other downtown attractions, hotels, and offices. Historic building facades from the 18th century were restored as a part of this project. The mall opened in September of 1995, with over 10 million visitors that year. An estimated economic impact of over \$2 billion through year 2000 is expected. The cost of the project was \$319.5 million, and was developed through a public-private partnership. The city share of \$187 million was financed with Tax Increment Financing bonds, and there were no new or raised taxes for the project.

**PROGRAM/PROJECT**

Charleston Waterfront Park  
Charleston, South Carolina

**CONTACT**

County Council  
O. T. Wallace County Office Building  
2 Courthouse Square  
Room 308  
Charleston, SC 29401  
Tel: 843-958-4500

**DESCRIPTION**

The City of Charleston constructed a 12-acre waterfront park along the harbor, replacing a blighted and decayed dock area. It cost \$13.5 million and Tax Increment Financing bonds, federal and county grants, and private donations were utilized. The park gives a pedestrian connection to the residential, historical, business, commercial, and government sections of the city and is credited with spurring overall investment and increasing tax revenue for the city.

**PROGRAM/PROJECT**

Brownfield Redevelopment Project  
Bangor, Maine

**CONTACT**

Stan Moses  
City Hall  
73 Harlon Street  
Bangor, ME 04401  
Tel: 207-945-4400

**DESCRIPTION**

The City of Bangor cleared several acres of abandoned properties, removed contaminated soil, and sold the rehabilitated area for the development of a supermarket, pharmacy, bank, and park to serve the residents of the surrounding neighborhood. Two hundred jobs were created for low- and moderate-income residents. The city used \$648,000 of Community Development Block Grant funds and approximately \$1 million of Tax Increment Financing bond funds for site preparation and cleanup, and the developer and supermarket invested more than \$7 million on the project.

**PROGRAM/PROJECT**

BASF Brownfield Redevelopment Project  
Wyandotte, Michigan

**CONTACT**

City of Wyandotte Engineering and  
Development  
3131 Biddle Avenue  
Wyandotte, MI 48192  
Tel: 734-346-4450

**DESCRIPTION**

When BASF Corporation closed its industrial facility on the Detroit River, it left 84 acres of contaminated waterfront property that the Michigan Department of Environmental Quality ordered sealed and capped as unusable because of its polluted condition. The City of Wyandotte appealed that decision, and with \$2 million from the BASF Corporation, \$25,000 from the Michigan Coastal Management Program, \$1.5 million from the Michigan Recreational Bond Fund, and \$4.5 million in Tax Increment Financing bonds, the site was redeveloped into a waterfront park and golf course, doubling the city's public waterfront access. The golf course fees pay for the maintenance of the park, and the park has influenced the revitalization of the surrounding neighborhood.

**PROGRAM/PROJECT**

Downtown Structure Renovation  
Denver, Colorado

**CONTACT**

Denver Urban Renewal Authority  
1555 California Street, Suite 200  
Denver, CO 80202  
Tel: 303-534-7303

Downtown Denver Partnership, Inc.  
511 16th Street #200  
Denver, CO 80202  
Tel: 303-534-6161

**DESCRIPTION**

The City of Denver has redeveloped vacant property in the downtown district, converting abandoned warehouses, department stores, and other structures into apartments, office and retail space, hotels, and restaurants. More than 30 buildings have been renovated and 10 historic structures preserved. Denver has invested more than \$200 million in city redevelopment initiatives, using Tax Increment Financing for many of the projects. This has leveraged more than \$2 billion of private investment.

**PROGRAM/PROJECT**

Napolean Square Development  
Johnstown, Pennsylvania

**CONTACT**

Johnstown Redevelopment Authority  
5th Floor Public Safety Building  
Johnstown, PA 15901  
Tel: 814-535-6564

**DESCRIPTION**

The Johnstown Redevelopment Authority became the first agency in Pennsylvania to use Tax Increment Financing in 1991. TIF was employed to acquire, demolish, and install infrastructure to a blighted block near the central business district of the city. Private investment created four new businesses and a hotel in that area.

**PROGRAM/PROJECT**

TechPark  
Rock Hill, South Carolina

**CONTACT**

Lori M. Nielson, Marketing Asst.  
155 Johnson St.  
P.O. Box 11706  
Rock Hill, SC 29730  
Tel. 800-872-2994

**DESCRIPTION**

The City of Rock Hill reclaimed an abandoned cotton mill and surrounding deteriorating neighborhood and redeveloped the properties into a business park and greenway with trails, ponds, and woods. There are 90 businesses that employ approximately 1,000 local residents in the redevelopment area. The project was financed with \$10 million in Tax Increment Financing bonds, and \$30 million in private investment. As a result, the tax base in the project area increased from \$300,000 in 1986 to more than \$3.5 million in 1993.

**PROGRAM/PROJECT**

Tax Increment Financing Program  
Chicago, Illinois

**CONTACT**

City Hall  
TIF Division  
121 North LaSalle Street, Room 1000  
Chicago, IL 60602  
Tel. 312-744-9220

**DESCRIPTION**

Chicago began Tax Increment Financing (TIF) utilization in 1984 and now has approximately 70 TIF districts comprising more than 5% of the city's land area. Since 1984 TIF projects have generated more than \$260 million of tax increments for redevelopment. The Chicago Department of Planning and Redevelopment estimates that in 2006 TIF will add \$68 million to the general fund through increased property tax revenue, and that when the final TIF bond is retired in 2020 this amount will be more than \$240 million, almost half of which will go to the Chicago School Board.

**PROGRAM/PROJECT**

Sand Replacement Fund  
Virginia Beach, Virginia

**CONTACT**

David Bradley, Budget Analyst  
2401 Courthouse Drive, Building#1  
Virginia Beach, VA 23456  
Tel: 757-427-4873

**DESCRIPTION**

The City of Virginia Beach has created a Tax Increment Financing (TIF) district in the Sandbridge area of the city. Property assessments were frozen in July of 1998 to form a base assessment and a fund was established to replace sand on the beach in this area. It is estimated that by 2004, the city will need approximately \$9 million for sand replacement. The Tax Increment Financing program is expected to provide one third of the total cost.

## **TAX INCENTIVES - OVERVIEW**

Tax Incentive Programs  
Business Incentive Programs

### **Description of Major Features**

Federal, state, and local governments offer various tax incentives to attract private investment and to increase employment in localities or designated portions of communities. Tax incentives and credits are also offered to encourage the construction of low-income housing or the rehabilitation of existing residential structures.

The incentives offered are usually in the form of tax credits for property improvement, employment, equipment, and new construction, as well as license, fee, and permit reductions or abatements. Many of these incentives are intended for use in designated revitalization zones, and the magnitude of the incentives can be negotiated between the locality and the recipient. Tax incentive programs usually have strict requirements and regulations that call for application, evaluation, and maintenance of exacting paperwork and accountability.

The Federal Government and most all states have created special zones in distressed or blighted areas which offer incentives to entice new business to such areas or to encourage existing firms to expand their operations.

### **Federal Involvement**

The Federal Government offers business and housing tax incentive programs, many of which are administered through the Department of Housing and Urban Development, the Environmental Protection Agency, and the Internal Revenue Service. In many instances, a business can qualify for federal, state, and local incentives for the same project in the same year.

- 15 U. S. C. Title 15 Aid to Small Business.
- 18 U. S. C. Title 19 Foreign Trade Zone.
- 26 U. S. C. Subchapter U Empowerment Zones, Enterprise Communities.
- 26 U. S. C. Title 26 Credits Against Tax, Corporations.
- 29 U. S. C. Chapter 19 Job Training Partnership.
- 42 U. S. C. Title 42 Work Incentive Program.
- 42 U. S. C. Chapter 64 Economic Opportunities Program.
- 42 U. S. C. Chapter 8A Slum Clearance.

## **Extent and Utilization of Tax Incentives**

Nationally, tax incentives to encourage business growth and property rehabilitation are common practice. In addition to the many federal programs for businesses, industries, and individuals, states offer their own tax incentives, as do localities.

Most all of Virginia's localities offer incentives to attract new business or to retain and expand existing businesses. Virginia law, however, does not authorize localities to abate property taxes, except for qualifying rehabilitation investment, and solar, pollution and energy conservation equipment and facilities. The types of incentives that Virginia localities can offer include reduced or abated fees for permits, licenses, and utilities, technical assistance, job training, site improvements, low-interest loans, and grants.

Virginia has created approximately fifty Enterprise Zones which offer businesses additional incentives for investment and job creation within the designated zones. There are also five Foreign Trade Zones and five Technology Zones. Like Enterprise Zones, these designated locations offer special incentives to specific businesses or business practices.

Virginia's localities can also offer tax abatements for qualified commercial or residential property rehabilitation investment. These tax abatements have encouraged the restoration and adaptive reuse of many abandoned or blighted structures in Virginia's cities and towns.

## **Statutory Authority for Utilization in Virginia**

§58.1-439 et seq., Code of Virginia; Major Business Facility Job Tax Credit,  
Worker Retraining Tax Credit.  
§58.1-3850, Code of Virginia; Technology Zone.  
§59.1-270 et seq., Code of Virginia; Enterprise Zone Act.  
§62.1-132.9, Code of Virginia; Foreign Trade Zone.

## **Effectiveness of Tax Incentives**

Because business and industry provide employment, revenue, and other tangible benefits, the initiatives and programs that provide these opportunities are valuable and in many instances vital to communities. There are many other factors that attract businesses to particular locations, such as the geographic and climatic amenities of a region, the proximity to transportation sources, work force availability and education, security, housing availability, and overall regional infrastructure. Incentive programs offer more options when considering location or expansion in a particular area, and can save investors money in start-up costs, property rehabilitation, tax liability, and license, fee, and utility expenses.



Many distressed urban localities feel that they have little choice but to offer incentives to attract commerce and industry. In competition with perceived cleaner and safer suburban locations, concessions and incentives attempt to lure businesses to vacant structures, blighted properties, low-income neighborhoods, and struggling commercial districts. Localities often make commitments of capital improvements as well.

The use of tax incentives has been criticized because of the allowances given to businesses to abate or reduce their tax liability and other fees, but supporters cite the employment opportunities and general commerce created by new or expanded business as assets that offset any concessions made by localities. Localities can negotiate agreements that address certain community needs, such as specific employment and job training practices.

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Hammond, J. and P. Duxbury, **Tax Waste, Not Work: How Changing What We Tax Can Lead to a Stronger Economy and a Cleaner Environment**, Redefining Progress, San Francisco, CA, 1997.

Ladd, Helen F., et al., **Local Government Tax and Land Use Policies in the United States: Understanding the Links**, Edward Elgar Publishing, Ltd., Cambridge, MA, 1998.

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300 7th Street, SW  
Washington, D.C. 20024  
Tel: 202-619-7980 or 1-800-645-4712

**PROGRAM/PROJECT**

Empowerment Zone Program  
Empowerment Zone and Enterprise  
Communities

**CONTACT**

U. S. Department of Housing and Urban  
Development (HUD)  
51 7th Street SW  
Washington, DC 20410  
Tel: 202-708-6339

**DESCRIPTION**

This program was created to revitalize designated areas in economically distressed communities by providing federal tax incentives and grants to qualifying businesses. The program focuses on four components of revitalization: economic opportunity, sustainable community development, community-based partnerships, and strategic vision for change. Benefits include technical assistance, employer tax credits, tax exempt facility bonds, and coordination with other federal programs. Each zone is provided with federal grant funding of \$100 million over a ten-year period. Employers can receive up to \$3,000 per zone in employee tax credits and write-offs on tangible property. Investment in the 105 zones has reached more than \$4 billion and created more than 5,000 jobs.

A 1997 review of the program by HUD found progress in 5 of 6 Empowerment Zones and 62 of 66 Enterprise Communities. Because the program is planned and implemented at the local level there can be problems with community organizations and their differing visions of how the zone should serve the community and spend appropriated money.

**PROGRAM/PROJECT**

Baltimore Empowerment Zone  
Baltimore, Maryland

**CONTACT**

Empower Baltimore Management Corporation  
111 South Calvert Street, Suite 1550  
Baltimore, MD 21202  
Tel: 410-783-4400

**DESCRIPTION**

The Baltimore Empowerment Zone has created more than 30 businesses and approximately 3,000 jobs in a 6.8 square mile zone having a poverty rate of more than 80%. Over 1,000 housing units have been constructed. The program uses a system of "Village Centers" to build community participation. These centers serve as organizational and coordination points for residents and businesses in the zone. The Baltimore program is rated a top performer by HUD.

**PROGRAM/PROJECT**

Detroit Empowerment Zone  
Detroit, Michigan

**CONTACT**

Empowerment Zone Development Corporation  
1 Ford Place, Suite 2D  
Detroit, MI 48202  
Tel: 313-872-8050

**DESCRIPTION**

Private sector investment in the 18.4 square mile Empowerment Zone is approximately \$2 billion, small business commercial lending is near \$50 million, and home improvement lending is over \$1.5 million. The zone is credited with reducing Detroit's unemployment by 50%, with the creation of more than 2,000 jobs for residents. The Detroit program is rated a top performer by HUD.

**PROGRAM/PROJECT**

Virginia Enterprise Zone Program

**CONTACT**

M. Shea Hollifield, Deputy Director  
Department of Housing and Community  
Development  
501 North Second Street  
Richmond, VA 23219-1321  
Tel: 804-371-7030

**DESCRIPTION**

Established in 1982 by the Virginia General Assembly to stimulate revitalization in specific locations, the first zones were designated in 1984. Authorization now exists for 55 zones. The four state incentives offered include tax credits for general income, real property improvement, and investment, and hiring incentives and grants. There are additional local incentives offered in each location. The Virginia Enterprise Zone Program has produced over 500 new or expanded businesses with an investment of more than \$1.5 billion. A report on the program is submitted annually to the Virginia General Assembly.

**PROGRAM/PROJECT**

Federal Historic Preservation Tax Incentive Program

**CONTACT**

Historic Preservation Services  
Division of Architecture  
National Park Service  
P.O. Box 3712  
Washington, DC 20013-7127  
Tel: 202-343-9566

**DESCRIPTION**

This incentive program authorized by the Tax Reform Act of 1986 offers a 20% tax credit for the rehabilitation of certified historic structures and a 10% credit for the rehabilitation of nonhistoric structures built before 1936. The program is administered jointly by the Departments of Interior and Treasury. States that offer historic rehabilitation incentives can often use them with this federal program for additional tax credit on the same restoration project. Over 25,000 projects have been approved for the tax credit nationwide.

**PROGRAM/PROJECT**

Cleveland Historic Warehouse District  
Cleveland, Ohio

**CONTACT**

Executive Director  
Historic Warehouse District Development  
Corporation of Cleveland  
614 Superior Avenue NW, Suite 714  
Cleveland, OH 44113  
Tel: 216-696-4488

**DESCRIPTION**

The Cleveland Historic Warehouse District project is a \$125 million effort to revitalize approximately ten blocks of downtown that became abandoned and blighted. Originally the area was the primary business district of the city. Designated a national historic landmark in 1982, the city encouraged redevelopment of the Victorian structures with historic tax credits, housing tax abatements, and low interest city loans through HUD Section 8 funds. City and county bonds and Community Development Block Grants provided capital improvement financing and leveraged private investment in the renovation of the historic structures. More than thirty buildings have been refurbished into more than 1,500 apartments, with additional restaurants, nightclubs, and stores, creating a neighborhood within walking distance of the city's Rock and Roll Hall of Fame, Jacob's Field, and downtown Cleveland.

**PROGRAM/PROJECT**

Environmental Protection Agency  
Brownfields Tax Incentive Program

**CONTACT**

Carl Alvarez  
Outreach and Special Projects Staff  
United States Environmental Protection  
Agency  
Washington, DC 20460  
Tel: 202-260-4039

**DESCRIPTION**

The Brownfields Tax Incentive Program is used to promote environmental cleanup of contaminated property for reuse in both urban and rural areas of the nation. The costs of environmental cleanup are fully tax deductible in the year in which they are incurred. Property must meet program requirements relating to land use, contamination, and location. The EPA states that this program will leverage more than \$6 billion in private investment for the revitalization of approximately 14,000 brownfield sites.

**PROGRAM/PROJECT**

Fulton Bag and Cotton Mill Renovation  
Atlanta, Georgia

**CONTACT**

Cabbagetown Neighborhood Improvement  
Association  
Tel: 404-875-7651

Office of the Mayor  
55 Trinity Avenue, Suite 2400  
Atlanta, GA 30335  
Tel: 404-330-6100

**DESCRIPTION**

Using HUD mortgage insurance and the Low Income Tax Credit Program, a \$1 million Empowerment Zone loan, \$4 million in tax credit revenue, and private investment, an abandoned historic mill was rehabilitated into approximately 200 loft apartments with 300 more units planned. The city also abated taxes of more than \$400,000. The redevelopment has induced new businesses and restaurants to locate in the historic district.

**PROGRAM/PROJECT**

Low-Income Housing Tax Credit Program  
(LIHTC)

**CONTACT**

Graham Driver  
Development Office  
Virginia Housing and Development Authority  
601 South Belvidere Street  
Richmond, VA 23220

**DESCRIPTION**

Created by the Tax Reform Act of 1986 and regulated by Section 42 of the IRS Code, the LIHTC program encourages the production of low-income housing by giving owners and developers tax credits for ten years on certain projects. Qualifying criteria include percentage of low-income units, median gross income of residents, cost of the development or renovation, and project expenses. The program has authorized more than \$3 billion to state housing agencies and has resulted in the development of 800,000 rental units, with an average of 1,300 projects and more than 50,000 units produced each year, making it one of the most effective low-income housing programs in the United States.

**PROGRAM/PROJECT**

Missouri Neighborhood Assistance Program

**CONTACT**

Missouri Department of Economic  
Development  
Neighborhood Assistance Program  
P.O. Box 118  
Jefferson City, MO 65102  
Tel: 573-751-5967 or 573-751-4849

**DESCRIPTION**

The Neighborhood Assistance Program is a way to provide cash to specific community revitalization projects by allowing contributors to redirect their state taxes to these projects, by receiving state tax credits of 50% to 70% of their donation. Since 1978 the program, which is administered by the Department of Economic Development, has generated more than \$200 million in donations to nonprofit organizations. If the donations are to certified 501(c)(3) nonprofit organizations, the contributions also qualify as a federal tax credit to charitable organizations. The program is founded on the belief that local businesses will donate assistance to projects in their own communities, such as shelters, food banks, housing, and downtown revitalization projects.

**PROGRAM/PROJECT**

Foreign Trade Zone (FTZ)  
Richmond Foreign Trade Zone #207

**CONTACT**

General Manager, FTZ #207  
Richmond International Airport  
Box A-3  
Richmond, VA 23231-5999  
Tel: 804-236-2102

**DESCRIPTION**

By authority of the United States Foreign Trade Zones Board, the Capitol Region Airport Commission operates Foreign Trade Zone #207 at Richmond International Airport. The 2,500-acre zone provides importers, exporters, and their associated businesses cost and time saving advantages through reduced tariffs, deferred payments, reduced local inventory taxes, and other specific benefits. The Foreign Trade Zone program was sanctioned by Congress in 1934 as a way to assist U. S. Companies in export market competition. There are more than 200 zones and approximately 250 sub-zones, located in 48 states and Puerto Rico. Collectively, these zones employ over 300,000 persons and handle in excess of \$200 billion in merchandise annually.

**PROGRAM/PROJECT**

Tax Abatement for Rehabilitated Real Estate  
Program  
Richmond, Virginia

**CONTACT**

City of Richmond  
Department of Economic Development  
900 E. Broad Street, Suite 305  
Richmond, VA 23219  
Tel: 804-646-5633

**DESCRIPTION**

The City of Richmond offers a tax abatement of 100% for the added value of rehabilitated property for ten years. The abatement decreases by 20% from year eleven until full value is due at year fifteen. The program has been cited by developers as a powerful tool to encourage renovation and reuse of downtown buildings, including the creation of more than 1,000 apartment units since 1995 and additional commercial and retail space. Restorations include Linden Tower, former warehouses that are now the Tobacco Row Apartments, and the Cokesbury Building.



**PROGRAM/PROJECT**

Welfare-to-Work Tax Credit Program

**CONTACT**

Betsy Myers, Administrator  
U.S. Small Business Administration  
Welfare-to-Work Initiative  
409 Third Street SW, Suite 6200  
Washington, DC 20416  
Tel: 202-205-6706

**DESCRIPTION**

To encourage businesses to hire welfare recipients, the federal government offers tax credits of up to \$8,500 per worker employed, which reduces federal tax liability by that amount. In the first nine months of the program more than 45,000 people were hired. A partnership of Welfare-to-Work companies now numbers more than 5,000 businesses, employing more than 135,000 persons, the majority of which have full-time jobs with health benefits. Primarily as a result of this program, welfare rolls have decreased to 3% of the population, the lowest since 1969.

**PROGRAM/PROJECT**

Winchester Technology Zone Program  
Winchester, Virginia

**CONTACT**

Lise Sunderla  
Director, Old Town Development  
15 North Cameron Street  
Winchester, VA 22601  
Tel: 540-667-1815

**DESCRIPTION**

This Virginia program authorizes the use of tax incentives and permit and fee reductions to assist in the location and expansion of qualifying technology companies in specific zones. The zones may be established by any city, county, or town through ordinance. A business must meet certain criteria to qualify as a technological company, and must have a minimum investment of \$10,000 and three employees. Approximately eight businesses have taken advantage of Winchester's Technology Zone, creating more than 150 jobs and over \$10 million worth of renovations to three vacant buildings downtown, including the Fern-Adams Building and the Taylor Hotel. This has led to an increase of approximately 40% in the number of professional offices and a 50% increase in restaurants in the area.

## **PUBLIC-PRIVATE PARTNERSHIPS - OVERVIEW**

Public-Private Partnerships  
Privatization

### **Description of Major Features of Public-Private Partnerships**

To provide needed services, to utilize expertise, to perform actions constituting public welfare, and to physically improve or maintain property, local governments are joining with private interests in the form of Public-Private Partnerships. These arrangements often involve revitalization and redevelopment projects where the goals of the public and private sector are similar but cannot be accomplished as timely or efficiently by one or the other. This concept of “partnership” goes beyond the traditional “contract to the low bidder” on construction and maintenance, and entails either private investment in redevelopment projects and programs or traditional government service provision being turned over to the private sector with governmental oversight. One of the benefits to localities of such partnerships is a reduction in costs for manpower and resources.

Governments form partnerships with nonprofit and for-profit corporations which serves the interests of both sectors. A city may give blighted property to a corporation that will build an office complex, a mall, or a housing complex with a park that the city will maintain. A town may contract with a corporation to build and operate water and waste facilities, highways and toll roads, or stadiums. Colleges may be contracted to provide urban planning or tutoring.

More and more, urban localities are turning to nongovernmental providers to do much of the work that once was the sole domain of the government. Partnerships can offer local governments the opportunity to involve and empower citizens in revitalizing their communities. Neighborhood groups understand their own needs and can offer manpower for clean-up and maintenance efforts, beautification programs, and crime watch organizations.

On larger revitalization efforts, the cooperation of the public and private sectors is often vital to any project being realized. There are not enough public funds available for demolition, construction, and property rehabilitation. Certain infrastructure and transportation improvement work, however, can be done if the private partner agrees to continue the project by constructing a business or rehabilitating a property for productive use.

Partnerships are formed to address critical issues in cities. To provide employment, a coalition of businesses and local government may initiate a job readiness program. To increase decent housing, a partnership may be formed with commercial banks and construction companies. To entice businesses to locate in a particular area, a partnership may be formed

to promote the community. Charitable, civic, and college organizations also can join with government to sponsor activities, and preservation organizations may work with government to protect the environmental and historical assets of a community.

### **Federal Involvement**

Executive Order #12803, May 4, 1992, Executive Agency Encouragement of Private Investment in Local Infrastructure and Services.

26 U. S. C. Subchapter K Partners and Partnerships.

### **Extent and Utilization of Partnerships**

Partnerships have become very popular nationwide as governments look for ways to save money while providing the services and redevelopment that communities need or to redevelop certain areas. Examples of privatization include water and waste management, highway construction and maintenance, parking enforcement, and prison construction and operation. In such instances the government maintains control and oversight of these operations to ensure that the public interests are being served.

Revitalization and urban renewal projects can operate in the same manner. Forming partnerships where a company's shareholders and the public both benefit is the ideal, though these deals are often complex and can be controversial.

If a city has several abandoned sites that are priorities in their plans for revitalization, partners are often sought to invest in the project. Through the commitment of public funds for capital improvements and the concession of tax incentives and other services, these projects can often be realized through private partners that supply additional financial investment. Many successful revitalization projects have taken place because of public-private partnerships.

The use of public-private partnerships continue to increase because of the desire for smaller government, lower taxes, and reduced public debt. The perceived notion that private industry can do anything better and cheaper than the government gives many confidence in privatization efforts. The reality is that municipal governments have a lot to do and limited resources with which to do it.

## **Statutory Authority for Utilization in Virginia**

Virginia Constitution, Art. X, Sec. 10.

§15.2-2600 et seq., Code of Virginia Public Finance.

§56-556 et seq., Code of Virginia Public-Private Transportation.

§13.1-627., Code of Virginia Public Service Companies.

§50-73.97 et seq., Code of Virginia Partnerships.

## **Effectiveness of Partnerships**

Public-private partnerships are the growing trend because of their success. Things get done at lower cost to the local government. The government does not have to hire as many workers, invest as much capital, or regulate as many aspects of a particular project or program. However, there are critics who believe that governments give away too much and surrender too much accountability to private interests. Further, since private investors are in business to make profits, some public attitudes of distrust remain.

Effective partnerships are efficiently planned and coordinated, with well designed systems of standards and accountability established to ensure that the public's interest and investment are secure.

When grassroots citizen organizations form partnerships with the government, good things can happen. The locality provides material and the volunteers provide labor which together accomplish that which neither could do alone. Further, colleges and universities can be utilized by local governments for educational and mentoring partnerships or other public service or research tasks. Moreover, clubs and civic organizations can partner with government to focus on specific areas of need with each providing a resource for the other.

The dangers of public-private partnerships include the possibility of favoritism or corruption and the lack of adequate government oversight. While public projects are often criticized as slow and expensive, it is also argued that the methodical movement of government often ensures the best public protections and practices.

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Heffron, J., **Privatization Provides Government Services**, Small Flows, Vol. 6, No. 1, January 1992.

U. S. Environmental Protection Agency, **Public-Private Partnerships for Environmental Facilities: A Self-Help Guide for Local Governments**, September 1991, Pub. #EPA 20-M-2005.

Savas, E., S., **Privatizing the Public Sector**, Chatham House Publishers, Inc., Chatham, New Jersey, 1982.

The Virginia Commonwealth Competition Council, "The Privatization Competition Manual."

### **Principal Governmental and Academic Contacts**

The Office of University Partnerships Clearinghouse  
P.O. Box 6091  
Rockville, MD 20849  
Tel: 1-800-245-2691

The Institute for Public-Private Partnerships  
1111 19th Street, Suite 680  
Washington, DC 20036  
Tel: 202-466-8930

Gregory H. Wingfield, President  
Greater Richmond Partnership, Inc.  
901 East Byrd Street  
Richmond, VA 23219  
Tel: 1-800-229-6332

Brad Hess, Manager,  
Market Development Cooperator Program  
U. S. Department of Commerce  
14th & Constitution Ave., NW, Room 3209  
Washington, DC 20230  
Tel: 202-482-2969

**PROGRAM/PROJECT**

Alpine Redevelopment Agency  
Tulare, California

**CONTACT**

Redevelopment Director  
City of Tulare  
125 South M Street  
Tulare, CA 93274  
Tel: 209-685-2300

**DESCRIPTION**

The City of Tulare redeveloped a severely blighted area by partnering with businesses, home owners, and nonprofit organizations. Using \$15 million of Community Development Block Grant funds and \$15 million of Tax Increment Financing funds, the city was able to rehabilitate approximately 500 homes, install storm drains, repair and repave streets, construct sidewalks, and build a police communications center. A commitment by the area's largest employer contributed 300 additional jobs for low-income residents of the redeveloped neighborhood.

**PROGRAM/PROJECT**

Virginia Biotechnology Research Park  
Richmond, Virginia

**CONTACT**

City of Richmond  
Department of Economic Development  
900 East Broad Street, Suite 30  
Richmond, VA 23219  
Tel: 804-646-5633

**DESCRIPTION**

The research park is a partnership of the Medical College of Virginia and the City of Richmond formed to develop more than 20 acres of downtown into a scientific research center. Research and development facilities are leased to private and public entities, including the Virginia Forensic Laboratory and Medical Examiner's Office. Approximately \$50 million of facilities have been constructed and leased with more than \$150 million planned for the ongoing, long-term project.

**PROGRAM/PROJECT**

Operation Brightside, Inc.  
Kansas City, Missouri

**CONTACT**

Neighborhood and Community Services  
Department  
4th Floor, City Hall  
414 E. 12th Street  
Kansas City, MO 64106  
Tel: 816-513-3201

**DESCRIPTION**

Operation Brightside, Inc. is a nonprofit corporation that formed partnerships with numerous Kansas City municipal, civic, and private organizations to change the physical appearance of the city through cleanup, painting, and landscaping. Volunteer accomplishments include removing 20,000 tons of debris, demolishing 10 abandoned buildings, cleaning 200 vacant lots, painting 700 houses, and planting more than 100,000 flowers and 1,000 trees and shrubs.

**PROGRAM/PROJECT**

Campus Circle  
Milwaukee, Wisconsin

**CONTACT**

Director  
Campus Circle  
2051 West Wisconsin Avenue  
Milwaukee, WI 53233  
Tel: 414-288-7281

**DESCRIPTION**

Marquette University formed Campus Circle, a partnership with the city to revitalize a 90- block area of Milwaukee. The \$60 million project was financed with tax exempt bonds, tax increment financing, and low-interest loans from local banks. Campus Circle acquired 1,000 houses in the redevelopment area and has renovated approximately 200 homes, constructed approximately 200 units of off-campus housing, rehabilitated a retail center and other vacant structures, and formed partnerships with community and social service organizations. This project is credited with the creation of new jobs as well as the reduction in the area's crime rate by approximately one third.

**PROGRAM/PROJECT**

Douglass Theater Restoration  
Macon, Georgia

**CONTACT**

Chester A. Wheeler, Director  
Economic and Community Development  
Department  
201 Southern Trust Building  
682 Cherry Street  
Macon, GA 31201  
Tel: 912-751-7190

**DESCRIPTION**

The historic Douglass Theater in Macon, Georgia was built in 1921 and served as a showcase for such performers as Duke Ellington, Bessie Smith, and Little Richard. Closed and deteriorating, it was purchased by the city and saved from demolition by citizen action in 1978. Restored and reopened in 1997, the theater now hosts live performances, movie screenings, receptions, community meetings, public hearings, classes, exhibitions, and summer camps, and serves as home for the Teen Performing Arts Center. The theater was restored with a \$2.5 million Section 108 Loan (HUD) and private donations and foundation grants of \$700,000, half of this from the Peyton Anderson Foundation. Attendance for the first year of operation was more than 60,000 persons. The resulting revenue paid for 30% of the theater's budget.

**PROGRAM/PROJECT**

50th Street Project  
Los Angeles, California

**CONTACT**

Lori R. Gay, President  
Los Angeles Neighborhood Housing Services  
3111 South Flower Street  
Los Angeles, CA 90007  
Tel: 213-749-7797

**DESCRIPTION**

Los Angeles Neighborhood Housing Services created a system of "Block Clubs" to address citizen concerns at a grassroots level. One such club requested the rehabilitation of a large historical home that had fallen into disrepair and was the center of problem behavior in the community. Young people from the neighborhood were trained and employed to restore the property and it was converted into four one-bedroom apartments and one townhouse style duplex. The \$600,000 redevelopment was financed with a loan that was based on the rental income from the restored property.



**PROGRAM/PROJECT**

Greater Richmond Partnership, Inc.  
Richmond, Virginia

**CONTACT**

President  
Greater Richmond Partnership, Inc.  
901 East Byrd Street  
Richmond, VA 23219  
Tel: 1-800-229-6332

**DESCRIPTION**

The City of Richmond and Henrico, Chesterfield, and Hanover Counties worked with private businesses to form a partnership that would attract economic development to the area. Using a five-year budget of more than \$12 million, half provided by the localities and half by private interests, the partnership has worked to attract more than \$5 billion of investments and more than 25,000 jobs to the Greater Richmond metropolitan region.

**PROGRAM/PROJECT**

Hampton Roads Economic Development  
Alliance  
Hampton Roads Area of Virginia

**CONTACT**

Hampton Roads Economic Development  
Alliance  
500 Main Street, Suite 1300  
Norfolk, VA 23510  
Tel: 757-627-2315

**DESCRIPTION**

Formed in 1997, the Hampton Roads Economic Development Alliance is a partnership of the Cities of Chesapeake, Norfolk, Portsmouth, Suffolk, and Virginia Beach, and the County of Isle of Wight, and local businesses, all of which are committed to attracting business and commerce to the Tidewater area of Virginia. In 1998 the area experienced an increase of approximately 100 new or expanded businesses and the creation of almost 7,000 jobs. Investment in the region was more than \$240 million.

**PROGRAM/PROJECT**

Hampton Healthy Neighborhoods Initiative  
Hampton, Virginia

**CONTACT**

Joan Kennedy, Director of Neighborhood Office  
City of Hampton  
22 Lincoln Street  
Hampton, VA 23669  
Tel: 757-727-6074

**DESCRIPTION**

This partnership of the city, local nonprofit organizations, and private sources assists in home ownership, repair, and other quality of life programs in Hampton neighborhoods. Using CDBG and Home Investment Partnership Program (HOME) funds, the program has provided emergency repair, home purchase assistance, painting, handicap ramp construction, home rehabilitation, counseling, and other services through the creation of the Neighborhood Resource Center.

**PROGRAM/PROJECT**

Hismen Hin-nu Terrace  
Oakland, California

**CONTACT**

East Bay Asian Local Development Corporation  
310 8th Street, Suite 200  
Oakland, CA 94607  
Tel: 510-287-5353

**DESCRIPTION**

The Hismen Hin-nu Terrace project revitalized an abandoned supermarket and parking lot at an important commercial and neighborhood location in Oakland. The site was transformed into an architecturally unique townhouse and apartment complex with courtyards, and commercial, office, and retail space. On-site support services are available for the tenants. The approximately \$16 million cost of the project came from a variety of sources including city, state, and private loans; public and private foundation grants; and the use of low-income housing tax credits.

**PROGRAM/PROJECT**

The Maya Angelou Community Initiative  
Portland, Oregon

**CONTACT**

Gretchen Dursch, Executive Director  
Housing Our Families  
5315 North Vancouver Avenue  
Portland, OR 97217  
Tel: 503-335-0947

**DESCRIPTION**

The Maya Angelou Initiative used the renovation of a crime infested low-income apartment complex to initiate larger neighborhood revitalization, including home painting and repair, block parties, neighborhood watch programs, and trash cleanup. The City of Portland financed the \$1.5 million acquisition and renovation of the 42 unit apartment complex with a loan, and targeted the neighborhood with additional services, such as extra policing and building code enforcement. As the loan is repaid, or refinanced through private banks, these funds become available for other projects in the city.

**PROGRAM/PROJECT**

Milwaukee RiverWalk  
Milwaukee, Wisconsin

**CONTACT**

Milwaukee Department of City Development  
809 North Broadway  
Milwaukee, WI 53202  
Tel: 414-286-5900

**DESCRIPTION**

Using \$13 million of public and private funds, the City of Milwaukee redeveloped the blighted downtown waterfront area into a pedestrian oriented greenspace. The RiverWalk will eventually connect to Lake Michigan and to a redeveloped public market, creating a pedestrian park-like corridor throughout the city. Spurring private investment, the value of riverfront property along RiverWalk has increased by more than \$30 million, and the area has been converted into offices, apartments and lofts, and other uses.

**PROGRAM/PROJECT**

Parkland Brownfield Redevelopment  
Louisville, Kentucky

**CONTACT**

City of Louisville  
745 W. Main Street  
Louisville, KY 40202  
Tel: 502-582-4199

**DESCRIPTION**

The closure of a dry cleaning business in the Parkland area of Louisville, Kentucky had left behind a contaminated site which would have to be cleaned up before redevelopment. The city used approximately \$400,000 of CDBG funds to decontaminate the site and provide infrastructure for the construction of a supermarket that employs 60 residents and provides a needed service for the neighborhood. This construction has helped other redevelopment in the neighborhood. PNC Bank and SuperValue also joined with the city to provide approximately \$1 million in loans to complete the project.

**PROGRAM/PROJECT**

Station Square  
Pittsburgh History and Landmarks Foundation  
Pittsburgh, Pennsylvania

**CONTACT**

Pittsburgh History and Landmarks Foundation  
One Station Square, Suite 450  
Pittsburgh, PA 15219  
Tel: 412-471-5808

**DESCRIPTION**

A fifty-acre site in downtown Pittsburgh that was once the headquarters and warehouses of the Pittsburgh and Lake Erie Railroad was purchased by the Pittsburgh History and Landmarks Foundation. Utilizing federal grants and low-interest loans the nonprofit organization redeveloped the property into an office, commercial, and entertainment center. More than two million people visit the center each year. The foundation preserved the original structures and renovated them, maintaining the architecture of the abandoned railroad. The site has become the leading city tourist attraction, and has led to further redevelopment of the area and the waterfront.

**PROGRAM/PROJECT**

RiverPlace  
Portland, Oregon

**CONTACT**

Portland Development Commission  
1900 SW Fourth Avenue  
Portland, OR 97201  
Tel: 503-823-3200

**DESCRIPTION**

The City of Portland reclaimed its waterfront area through a long-term public-private project. The revitalization began with the removal of an expressway that blocked access to the waterfront, followed by the development of a park, swimming beach, marina, waterfront esplanade, and fishing pier in the area. Partnering with Cornerstone Columbia Development Company, the city constructed an \$85 million neighborhood with a marina, hotel, athletic facility, condominiums, commercial space, street improvements, and parking facilities.

**PROGRAM/PROJECT**

Center in the Square  
Roanoke, Virginia

**CONTACT**

Fran Ferguson  
Communications Coordinator  
Center in the Square  
Tel: 540-342-5703

Western Virginia Foundation for the Arts and Sciences  
Fifth Floor, One Market Square, S. E.  
Roanoke, VA 24011-1434

**DESCRIPTION**

This program rehabilitated an abandoned downtown warehouse into a facility that now houses seven organizations, including art and science, theater and opera companies. Center in the Square was completed at a cost of more than \$7 million and financed by a state grant of \$2.6 million, private donations of \$4 million, and other federal and local grants. Owned by the nonprofit Western Virginia Foundation for the Arts, the Center charges no rent or operating fees to the organizations that use the facility. It has expanded into another vacant building, using the same partnership and funding formula. Adjacent to the Center is the Farmer's Market, a public market that has also been revitalized. The entire district has seen investment of more than \$350 million, including The Hotel Roanoke and Conference Center. This revitalization effort was awarded first place honors by the International Downtown Association.

**PROGRAM/PROJECT**

Riverviews  
Lynchburg, Virginia

**CONTACT**

Riverviews Artspace  
P.O. Box 526  
Lynchburg, VA 24505  
Tel: 804-847-8755

**DESCRIPTION**

An abandoned shoe factory on the riverfront in downtown Lynchburg has been renovated into more than thirty studio apartments for working artists. The property also has commercial space, a cafe, a dance studio, a gallery, and a kiln. The \$3 million dollar renovation was financed with city loans, private grants, and the use of historic rehabilitation tax credits. The loans will be repaid with profits from the rent of the studio apartments.

**PROGRAM/PROJECT**

Pike Place Market  
Seattle, Washington

**CONTACT**

City of Seattle  
Department of Neighborhoods  
Arctic Building, Suite 400  
700 Third Ave.  
Seattle, WA 98104-1848  
Tel. 206-684-0464

**DESCRIPTION**

The City of Seattle established a ten-year redevelopment plan for the restoration of Pike Place Market, a public market established in 1907. Funding came from approximately \$50 million in private money and \$100 million in public investment. To ensure that the market would maintain its original character, the city established a protective ordinance which regulates the nature and type of materials to be used for structural maintenance and specifies that all vendors must make or grow their own products.

**PROGRAM/PROJECT**

Quality Inn and Suites  
Laurel, Maryland

**CONTACT**

Katie Michaelson  
Department of Housing and Community  
Development  
Office of Public Information  
100 Community Place  
Crownsville, MD 21032-2023  
Tel. 410-514-7799

**DESCRIPTION**

A former Howard Johnson's hotel was renovated by two local entrepreneurs. Maryland's Neighborhood Business Development Program (NBDP) joined with AT&T Capital Corporation and Mid-Atlantic Business Finance Company to make financing available for the project. The NBDP provides loan assistance to small businesses and grants to nonprofit organizations in neighborhoods locally designated as revitalization areas. Renovations are now complete on the five-story hotel, which is located a few blocks from the Maryland Commuter Rail (MARC) transit station, the Laurel Race Track, and the historic downtown commercial district.

**PROGRAM/PROJECT**

Hawthorne School  
Dayton, Ohio

**CONTACT**

Michael R. Turner, Mayor  
City Hall, 2nd Floor  
101 W. Third St.  
Dayton, OH 45402  
Tel: 937-443-3636

**DESCRIPTION**

The City of Dayton, CityWide Development Corporation, McPherson Town Neighborhood Development Corporation, and Mansur Real Estate Services worked together to renovate the 113 year old school named for Nathaniel Hawthorne. The vacant building was renovated into a 20-unit housing complex at a cost of approximately \$1.6 million which was funded by federal grants, HOME funds, a city loan, and historic tax credits. The city also paid for lead paint and asbestos removal. McPherson Town Historic District and CityWide Development Corporation own the completed project.

**PROGRAM/PROJECT**

Neighborhood Matching Fund Program  
Seattle, Washington

**CONTACT**

Jan Kumasaka  
600 Fourth Avenue  
Seattle, WA 98104  
Tel: 206-684-0372

**DESCRIPTION**

The City of Seattle created a competitive funding program in 1998, using a Community Development Block Grant and General Fund monies, to provide citizen groups and other organizations with matching funds for citizen-initiated projects in the city. Over 1,000 such projects have been completed, including tree plantings, playground construction, block and alley cleanup, house painting, graffiti removal, and landscaping. Citizen organizations do not have to be incorporated to apply, and they may provide in-kind services such as labor and materials in lieu of matching funds for their projects. Seattle invests \$3 million each year in this program which results in projects valued at \$6 million initiated and completed by city citizens.

**PROGRAM/PROJECT**

Casa Loma  
New Economics for Women  
Los Angeles, California

**CONTACT**

Maggie Cervantes, Executive Director  
New Economics for Women  
303 South Loma Drive, South Wing  
Los Angeles, CA 90017  
Tel: 213-483-2060

**DESCRIPTION**

The Los Angeles Community Redevelopment Agency constructed an all-inclusive 110 unit community housing complex for single-parent families in downtown Los Angeles. Rents are on a sliding scale per resident income, ranging from \$89 to \$450 each month. The complex includes a Child Care Center, Youth Center, Computer Learning Center, Children's Courtyard, and 24-hour security. Minority and women contractors accounted for one fourth of the construction work force. The property was purchased by the Los Angeles Community Redevelopment Agency for \$5 million. The Chevron Corporation purchased \$8 million of the Low-Income Housing Tax Credits, and construction loans were secured at 3%. New Economics for Women is a nonprofit organization dedicated to assisting low-income women and children.



**PROGRAM/PROJECT**

Operation Brightside  
St. Louis, Missouri

**CONTACT**

Operation Brightside  
2375 Hampton Ave.  
St. Louis, MO 63139  
Tel: 314-781-4556

**DESCRIPTION**

Operation Brightside is a program that focuses on the physical appearance of St. Louis and uses volunteer projects to clean and beautify the landscape. Using the public-private partnership model, the program has removed millions of pounds of trash, planted more than 300,000 flowers, revitalized more than 13,000 vacant lots, and removed graffiti from more than 30,000 sites. The program has utilized more than 70,000 volunteers.

**PROGRAM/PROJECT**

The Times Square  
New York, New York

**CONTACT**

Common Ground Community HDfC, Inc.  
255 West 43 Street  
New York, NY 10036  
Tel: 212-768-8989

**DESCRIPTION**

The Times Square project transformed a dilapidating and problem structure into the nation's largest supportive single room occupancy (SRO) residence. The approximately \$30 million restoration utilized low interest loans from the city and historic tax credits, and the operational costs are paid for with the rental income. The complex has more than 650 rental units and space for commercial businesses. The tenants are provided with on-site social services and job assistance.

**PROGRAM/PROJECT**

Warwick Hotel Single Room Occupancy  
Conversion Project  
Newport News, Virginia

**CONTACT**

Executive Director  
Newport News Redevelopment and Housing  
Authority  
P.O. Box 77  
Newport News, VA 33607  
Tel: 757-247-9701

**DESCRIPTION**

The City of Newport News converted an historic hotel into 88 single room occupancy rental units for homeless persons. Using public-private partnering, the \$2.1 million cost of the project came from the Low-Income Housing Tax Credit Program (federal), the City of Newport News, the State of Virginia, and a grant from the Federal Home Loan Bank. Furnishings were provided by a local company through the Virginia Neighborhood Assistance Program and were installed by U.S. Navy volunteers. First Union National Bank donated equipment for a resident computer lab. Virginia Mountain Home, Inc. completed the conversion and continues to work with area businesses to provide job training and economic opportunity for the residents of the historic landmark.

**PROGRAM/PROJECT**

Wilson Commencement Park  
Rochester, New York

**CONTACT**

Executive Director  
Wilson Commencement Park  
251 Joseph Avenue  
Rochester, NY 14605  
Tel: 716-263-7930

**DESCRIPTION**

The City of Rochester, in an effort to address poverty among single-parent families, created a partnership to construct fifty 2- and 3-bedroom townhouses adjacent to a Family Center and Early Childhood Learning Center, with linkages to educational and employment services in an effort to promote eventual self-sufficiency. Two-thirds of the \$6.1 million project funding came from the New York State Housing Trust Fund, with private foundation grants providing approximately \$2 million in further assistance. The Marie C. And Joe C. Wilson Foundation also provided a \$1.5 million grant to get the project started. Over one hundred families have ended their dependency on public assistance with the support of this project.

**PROGRAM/PROJECT**

Williamsburg Area Housing Partnership  
Program  
Williamsburg, Virginia

**CONTACT**

Director, Housing Partnerships, Inc.  
P.O. Box 441  
Williamsburg, VA 23187  
Tel: 804-221-0225

**DESCRIPTION**

Housing Partnerships, Inc. was created to provide low-income home owners with home repair. The nonprofit organization has formed partnerships with local governments, private donors, housing agencies, and volunteers to renovate more than 450 homes in the Williamsburg area.

**PROGRAM/PROJECT**

Downtown Revitalization Program  
York, Pennsylvania

**CONTACT**

City Hall  
50 West King Street  
P.O. Box 509  
York, PA 17405  
Tel: 717-849-2301

**DESCRIPTION**

The City of York, using public funds to leverage private investment, constructed a flood channel and waterfront park along Cordonus Creek for approximately \$6 million. More than \$2 million of that amount was used to renovate the historic facades of downtown buildings. Public-private partnerships were also formed to renovate empty downtown buildings, whose occupancy rate then rose to 90% when the projects were completed. Assessed property values increased from \$200,000 to approximately \$20 million. The private sector has invested \$40 million in downtown York to continue the \$10 million public investment since 1980.

**PROGRAM/PROJECT**

Community Rebuilding Initiative  
Roanoke, Virginia

**CONTACT**

Blue Ridge Housing Development Corporation  
P. O. Box 20708  
Roanoke, VA 24018  
Tel: 540-774-7408

**DESCRIPTION**

The City of Roanoke is providing approximately \$350,000 of CDBG funds to the Blue Ridge Housing Development Corporation for the construction of 32 units of affordable housing. The funds are used to purchase building lots in targeted revitalization neighborhoods which will then be given to Habitat for Humanity to construct the homes. Habitat for Humanity will accept no government funds but will accept donated land.

## **GOVERNMENT PROGRAMS - OVERVIEW**

Publicly Financed Revitalization Programs  
Federal, State, and Local Government Initiatives

### **Description of Major Features**

One of the most important tools for urban revitalization in the United States is the Community Development Block Grant (CDBG) Program. This federally funded grant provides cities with the money to initiate, if not complete, many of the projects to renew urban areas. It is rivaled only by municipal bonds as a source of revitalization money; but, unlike bonds, there is no borrowing, payment, interest, or voter referendum involved. Any community can apply for the grant, and it can be used in a variety of ways, often very creatively, and in tandem with other funds. Virginia received approximately \$70 million in 1999. This is a reliable source of funding that has been filtering down to communities for twenty-five years.

There are many more federal programs that help cities revitalize. The Department of Housing and Urban Development has a myriad of programs that consist of grants, loans, tax credits, and technical assistance. Other programs are offered by the Department of the Interior, the Environmental Protection Agency, and the Department of Transportation.

A complete listing of these programs is available in the **Catalog of Federal Domestic Assistance**, published by the federal government each year. This catalog contains more than 1,200 pages of programs and is too immense to adequately review in this section. Additionally, most states have their own government sponsored revitalization programs, as do many cities.

Government initiatives are always operated at public expense. Such programs are specific in nature, competitive, and controlled by regulations. Federal spending for some of the larger programs in 1999 includes:

- Community Development Block Grant (CDBG) - \$4.75 billion
- HOME Investment Partnership - \$1.6 billion
- Public Housing Operating Fund - \$2.8 billion
- Public Housing Capital Fund - \$2.9 billion
- Housing Certificate Fund - \$10.5 billion

Government spending on revitalization efforts focuses primarily, but not exclusively, on two areas: infrastructure and low-income populations. Road improvement and construction, water and wastewater treatment, airports, navigable ports and waterways, railways, and bridges are representative of publicly funded construction and maintenance projects. Such projects are often vital to urban revitalization.

The private sector invests in and rebuilds property in urban areas, creating commerce and employment opportunities to low-income populations. However, most of the assistance for these citizens often comes from government programs. Home ownership and maintenance, job training, health care, and education programs are methods utilized by government to improve and revitalize the condition of people.

The Commonwealth of Virginia also has many programs to promote urban revitalization offered through the Department of Housing and Community Development. These programs are similar to the federal programs and strategies and are often the manner in which federal money is distributed and appropriated through the State. There are additional programs financed by the Commonwealth and by local government. State general funds for housing for FY2000 are approximately \$8.5 million.

### **Federal Involvement**

Federal money can be awarded as specific funds for selected localities, programs, and purposes; to certain qualifying individuals; or as general blocks of funding that the states may administer at their discretion. Examples of federal programs include housing, highways, airports, education, infrastructure, water and sewage treatment, law enforcement, job training and welfare-to-work programs, historical renovation, parks and recreation, and other areas that are a part of the urban revitalization effort. For 1999, federal appropriations for community and regional development were approximately \$8 billion, and an additional \$20 billion for housing assistance.

Federal legislation to authorize funds for urban revitalization includes:

- 42 U. S. C. Chapter 8 Low-Income Housing.
- 42 U. S. C. Chapter 8A. Slum Clearance.
- 42 U. S. C. Subchapter II Urban renewal projects.
- 42 U. S. C. Subchapter II Neighborhood Development Projects.
- 42 U. S. C. Subchapter IV Grants to States for the Needy.
- 42 U. S. C. Chapter 38 Public Works and Economic Development.
- 42 U. S. C. Chapter 41 Demonstration Cities and Metropolitan Development.
- 42 U. S. C. Chapter 44 Housing and Urban Development.
- 42 U. S. C. Chapter 69 Community Development.
- 42 U. S. C. Chapter 89 Congregate Housing Services.
- 42 U. S. C. Chapter 90 Neighborhood and City Reinvestment.
- 12 U. S. C. Title 12 National Housing.
- 48 U. S. C. Subchapter V Public Housing and Urban Renewal.
- 29 U. S. C. Chapter 19 Job Training Partnerships.
- 26 U. S. C. Subchapter U Empowerment Zones.

## **Extent of Utilization**

Most urban revitalization projects that attempt to reshape and renew downtown business districts and inner city neighborhoods are initiated by government programs and spending. Every city in the United States receives some amount of federal funds that can be used for urban renewal projects, and each city may also receive funding from its state government for similar purposes as well. It is public funds, either in totality or used with other investments, that is responsible for the overwhelming portion of the money spent for urban revitalization. Public investment in infrastructure entices private investment in property rehabilitation and commerce. Public funds are the primary source of assistance to low-income populations.

In Virginia's cities, public funds have been responsible for most of the larger revitalization projects that have reshaped the downtown areas across the State. It is also government programs and financing that are responsible for highway and bridge construction projects, airports and seaports, and sewer, water, and school construction.

## **Statutory Authority for Utilization in Virginia**

Title 36, Code of Virginia; Housing.

§15.2-2114, Code of Virginia; Regulation of Stormwater.

Article 3, Chapter 22, Title 15.2, Code of Virginia; The Comprehensive Plan.

§15.2-2305, Code of Virginia; Affordable Dwelling Unit Ordinances.

§58.1-3245.1, Code of Virginia; Blighted Areas.

## **Effectiveness of Program**

Government programs for urban revitalization have been in force for many decades, and have had a great impact on the American city. Federal, state, and local government appropriations for urban revitalization, however, cannot rebuild the nation's cities by themselves. These funds often initiate projects that foundations, partnerships, developers, and local development authorities continue.

Urban revitalization is not only the construction of infrastructure and housing, factories, and parks, but also fosters the reduction of poverty, crime, unemployment, teen pregnancy, and substance abuse. Programs that address these social issues further the revitalization of our cities in ways that cannot be measured in the square footage of retail office space or the number of new businesses downtown.

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Virginia Department of Housing and Community Development  
501 North Second Street  
Richmond, VA 23219-1321  
Tel: 804-371-7030

Robert W. Burchell  
Center for Urban Policy Research  
Civic Square, Suite 400  
33 Livingston Avenue  
New Brunswick, NJ 08901  
Tel: 732-932-3133

C. Theodore Koebel  
Center for Housing Research  
401 Wallace Hall  
Virginia Polytechnic Institute and State University  
Blacksburg, VA 24061-0451  
Tel: 540-231-3993



**PROGRAM/PROJECT**

Community Development Block Grant Program

**CONTACT**

Office of Block Grant Assistance  
Office of Community Planning and  
Development  
Entitlement Communities Division  
451 Seventh Street SW, Room 7282  
Washington, DC 20410  
Tel: 202-708-1577

**DESCRIPTION**

The Community Development Block Grant Program provides federal funds to approximately 1,000 communities in the nation for redevelopment, housing, and economic development projects. Many of the urban revitalization initiatives taking place begin with the money from this grant program. These funds can be used in almost any way that the community desires provided low and moderate-income populations benefit from the expenditure. Housing, day care, counseling, capital improvements, infrastructure, renovation, crime reduction, loans, and land purchase are some areas addressed by communities with these funds. Many large revitalization projects begin with the expenditure of CDBG money which then leverages the necessary private investment. More than \$4 billion was allocated to this program in 1999.

**PROGRAM/PROJECT**

National Main Street Program

**CONTACT**

The National Main Street Center  
National Trust for Historic Preservation  
1785 Massachusetts Avenue, NW  
Washington, DC 20036  
Tel: 202-588-6219

**DESCRIPTION**

A part of the National Trust for Historic Preservation, the National Main Street Program is a technical assistance mechanism used to enhance and revive traditional downtown commercial districts. Based on a "four point" approach of design, organization, promotion, and economic restructuring, the program builds on a communities resources and unique qualities to promote and stimulate reinvestment in the downtown district. The technical assistance provided includes the development of a work plan, fund raising, the training of staff and volunteers, evaluation, and business development strategies. From 1980 through 1998 the program has tracked activity in more than 1,400 communities, and reports that total investment has been over \$10 billion, with 47,000 new businesses and 174,000 new jobs created, and more than 60,000 buildings renovated.

**PROGRAM/PROJECT**

Section 108 Loan Guarantee Program

**CONTACT**

Office of Community and Economic  
Development Finance  
Office of Community Planning and  
Development  
451 Seventh Street SW, Room 7180  
Washington, DC 20410  
Tel: 202-708-3226

**DESCRIPTION**

The Section 108 Loan Guarantee is a program that allows communities to borrow funds for revitalization projects using the full faith and credit of the federal government. This often encourages private investment in projects. The borrowed funds are repaid with current or future Community Development Block Grant allocations though they can be retired from other sources as well. Section 108 money can be used for site acquisition and improvement, public works and facilities, construction, renovation, and financing. It must support projects that benefit low- and moderate-income persons. More than \$430 million of Section 108 funds were available in 1999.

**PROGRAM/PROJECT**

HOME Program

**CONTACT**

Office of Affordable Housing Programs  
Office of Community Planning and  
Development  
451 Seventh Street SW  
Washington, DC 20410  
Tel: 202-708-2470

**DESCRIPTION**

The HOME Program is a federal initiative to help communities address housing availability for low and very low-income persons. It is a formula grant program with awards to state and community housing organizations based on application evaluation. In 1999 HOME funds amounted to more than \$1.5 billion. The funds can be used in all areas of housing, including rental assistance, construction, demolition, renovation, closing costs, and down payments. To ensure that state and community organizations are working as partners, the HOME program requires that each dollar awarded is matched with twenty-five cents from local sources. HOME is the largest federal grant program specifically for housing.

**PROGRAM/PROJECT**

HOPE VI Program

**CONTACT**

Deputy Assistant Secretary for Public Housing  
Investments  
Office of Public Housing and Revitalization  
Department of Housing and Urban  
Development  
Washington, DC 20410  
Tel: 202-401-8812

**DESCRIPTION**

More than \$625 million nationally was available in the HOPE VI Program to revitalize public housing in 1999. Federal HOPE VI funds are used for capital improvements, demolition, and construction of public housing. These funds are distributed to states for specific projects based on competitive applications. In Virginia, the housing authorities in Richmond and Portsmouth have been awarded grants of approximately \$25 million each to revitalize the public housing projects in their respective communities.

**PROGRAM/PROJECT**

Baltimore Harbor Front  
Baltimore, Maryland

**CONTACT**

Baltimore Department of Planning  
417 East Fayette Street, 8th Floor  
Baltimore, MD 21202  
Tel: 410-396-4329

**DESCRIPTION**

The long-term transformation of Baltimore's harbor and downtown took two decades and more than \$200 million of investment. The once blighted waterfront is now a thriving business, commercial, and recreation area. Purchasing and site clearance costs were assisted by a \$22 million federal grant, and the Maryland legislature provided \$35 million for the construction of a convention center. The city funded a national aquarium at \$20 million, that is attended by more than a million visitors annually. Approximately 20 million shoppers visit Harborplace each year, a privately owned retail and restaurant complex on the promenade. The success of the Baltimore Harbor Front project has caused it to be studied and copied around the world.

**PROGRAM/PROJECT**

Clean Sites Program  
Commonwealth of Virginia

**CONTACT**

Virginia Department of Housing and  
Community Development  
501 North Second Street  
Richmond VA 23219  
Tel: 804-371-7093

**DESCRIPTION**

The Commonwealth of Virginia offers cash grants of up to \$100,000 to communities for the purpose of demolishing or rehabilitating vacant structures. The program applies only to cities with populations greater than 50,000, and requires local matching funds of 50%. With an allocation of \$500,000 the grants were given to five localities beginning in 1995, each receiving \$100,000. Lynchburg was given the grant to rehabilitate an abandoned industrial facility into studio apartments and commercial art space. Roanoke was awarded the grant to transform a residential property into a professional office park for minority businesses. Portsmouth received the grant for soil remediation and site preparation at Portcentre Office Park for new business development. Newport News used the grant to purchase vacant property as part of a plan to construct an industrial park. Norfolk used its award to purchase vacant properties that would become a neighborhood shopping center.

**PROGRAM/PROJECT**

Culpeper Downtown Revitalization  
Culpeper, Virginia

**CONTACT**

Culpeper Department of Economic  
Development  
308 N. Main St.  
Culpeper, VA 22701  
Tel. 800-793-0631 or 540-727-3448

**DESCRIPTION**

The Town of Culpeper has revitalized the downtown area by renovating structures, creating commercial and office space, and redeveloping a public park. A \$700,000 Community Development Block Grant (CDBG) grant has been utilized in a matching grant/loan program to renovate dilapidated downtown structures. A \$700,000 Intermodal Surface transportation Enhancement Act (ISTEA) grant has been utilized to restore the Culpeper Train Depot and convert it for use as a visitor center and office space. Nearby Yowell Meadow Park has been renovated with paved trails and a pond, and a new theater complex is being constructed downtown using tax incentives and water and sewer fee abatements.

**PROGRAM/PROJECT**

Danville Train Station and Warehouse District  
Redevelopment  
Danville, Virginia

**CONTACT**

Jerry Fischer, Director  
Danville Department of Community  
Development  
Municipal Building, Room 207  
Danville, VA 24543  
Tel: 804-799-5261

**DESCRIPTION**

The City of Danville used two Intermodal Surface Transportation Enhancement Act (ISTEA) grants as the primary financing tool to redevelop an historical train station and the surrounding area. Partnering with Amtrak, Pepsi-Cola, the Virginia Department of Transportation, and other private sources, the city was able to construct a public market, a park with amphitheater, a science center, a community meeting and recreation facility, and a transportation center. This project spurred investment in other warehouse properties which have been redeveloped into offices, commercial space, apartments, lofts, and restaurants. The approximately \$4 million of federal grant money initiated the redevelopment and leveraged additional funds from public and private sources.

**PROGRAM/PROJECT**

Fayette Street Revitalization Project  
Indianapolis, Indiana

**CONTACT**

Brad Hurt, Consultant  
City of Indianapolis  
2501 City County Building  
Indianapolis, IN 46204  
Tel: 307-237-2213

**DESCRIPTION**

Residents of one neighborhood in Indianapolis, in cooperation with the Historic Landmarks Foundation of Indiana, saved one block by moving ten houses from the area to join nine houses already on another block. The city renovated the exterior of the houses and added landscaping, sidewalk improvements, street lighting, and road repairs. The houses were sold with the stipulation that they be owner occupied, and that the purchaser complete the interior renovations. Part of the Indianapolis Canal Walk Renewal Project, this program was able to save a small portion of an historically significant downtown neighborhood. The project was financed with a \$1.4 million Economic Development General Obligation Bond issued by the city.

**PROGRAM/PROJECT**

Resale of Tax Foreclosed Properties  
Galveston, Texas

**CONTACT**

City Hall  
P.O. Box 779  
Galveston, TX 77553  
Tel: 409-766-2103

**DESCRIPTION**

In 1991 the City of Galveston instituted a policy to sell tax-foreclosed properties, returning them to productive use. The project was designed to save the city expenditures in maintenance and to prevent the further deterioration of the properties. More than 100 properties have been returned to productivity, valued at \$1.5 million.

**PROGRAM/PROJECT**

WestEnd Public Market  
Greenville, South Carolina

**CONTACT**

Thurman Norris, Administrator  
Community Development and Relations  
206 S. Main Street  
P.O. Box 2207  
Greenville, SC 29602  
Tel: 864-467-5735

**DESCRIPTION**

To begin the restoration of a depressed downtown neighborhood the City of Greenville used federal Community Development Block Grant funds to install capital improvements in and around the "public market" that serves as the centerpiece of the community. Landscaping, physical appearance, and parking were enhanced to make the market an attractive area to visit and to allow for festivals and other public events to take place there. Sixteen businesses were created, employing twenty-five low-income residents, spurring redevelopment, investment, and job opportunities in the surrounding area. The city used a \$750,000 Section 108 Loan Guarantee to finance the improvements to the area.

**PROGRAM/PROJECT**

MacArthur Center  
Waterside Festival Marketplace  
Norfolk, Virginia

**CONTACT**

Steve Cooper  
Norfolk Redevelopment and Housing Authority  
201 Granby Street  
Norfolk, VA 23510  
Tel: 757-623-1111

**DESCRIPTION**

As part of Norfolk's plan to revitalize the downtown and waterfront area of the city, the MacArthur Center, a more than one million square foot shopping mall, was constructed and opened in 1999. The city invested approximately \$100 million in construction and capital improvements, including parking decks and street re-routing. The investment is to be repaid with revenues from the MacArthur Center and parking fees. The project has also created approximately 3,000 permanent jobs. The mall complements the Nauticus National Maritime Museum, Waterside Marriott Convention Center, Town Point Park, and Waterside Festival Marketplace.

**PROGRAM/PROJECT**

Clean and Green Program  
Bridgeport, Connecticut

**CONTACT**

City of Bridgeport  
45 Lyon Terrace  
Bridgeport, CT 06604  
Tel: 203-576-7600

**DESCRIPTION**

In an effort to change the physical appearance of the city and to entice redevelopment, Bridgeport has invested more than \$10 million of local funds to purchase and demolish approximately 500 blighted structures. The properties are then prepared for new housing or commercial use, or converted to public parks. The program has been responsible for increased property value and reduced crime in the city.

**PROGRAM/PROJECT**

Main Street Program  
Morgantown, West Virginia

**CONTACT**

Mainstreet Morgantown  
P.O. Box 90  
Morgantown, WV 26507-0090  
Tel: 304-292-0168

**DESCRIPTION**

In the 1970's Morgantown suffered the same fate as many small and mid-sized towns with its downtown area vacant and deteriorating. Using the Main Street Program to provide technical assistance and direction, the city was able to recruit more than 120 new businesses, mostly specialty shops and restaurants, to locate in its central business district, resulting in more than 600 new jobs. Further, there have been more than 250 building improvement and restoration projects in that area with an investment of more than \$18 million in public and private funds.

**PROGRAM/PROJECT**

Partners for Progress  
Philadelphia, Pennsylvania

**CONTACT**

Office of the Mayor  
Room 215, City Hall  
Philadelphia, PA 19107  
Tel. 215-686-2181

**DESCRIPTION**

Partners for Progress is a comprehensive program of services that targets one neighborhood of the city at a time and concentrates all available public and private resources on that area. Partnering with citizen organizations and individuals, the program coordinates service delivery from its Departments of Health, Streets, Water, Inspection, Police, and Fire to clean, beautify, and provide program education to residents of the area in a fifteen day period. The city has cleaned approximately 8,000 blocks, removed 3,000 abandoned vehicles, initiated 20,000 health-related contacts, inspected 15,000 locations, and cleared 2,000 lots since the program began. In addition, Partners for Progress has initiated immunizations, provided prenatal care, and provided other services to the residents.



**PROGRAM/PROJECT**

New Rehabilitation Code  
New Jersey

**CONTACT**

Jane Kenny, Commissioner  
Department of Community Affairs  
PO Box 800  
Trenton, NJ 08625  
Tel. 609-984-7609

**DESCRIPTION**

In order to stimulate the rehabilitation of older and existing structures, the State of New Jersey rewrote the regulations to create a new rehabilitation building code. The new code has encouraged a property renovation increase of more than 60%. The new code is considered more realistic, saves property owners substantial money, and does not compromise safety.

## **AUTHORITIES AND SPECIAL DISTRICTS- OVERVIEW**

Industrial Development Authorities  
Economic Development Authorities  
Housing and Redevelopment Authorities  
Industrial Development Authorities  
Community Development Authorities  
Special Districts

### **Description of Major Features**

Authorities are legislatively established subdivisions of government created to perform specific functions and operate with specific powers and limitations. Of the many types of authorities, those commonly associated with urban revitalization include Industrial Development, Economic Development, Housing and Redevelopment, and Community Development Authorities. The members of authority governing boards are usually appointed by the local government, although they can be elected.

Authorities usually finance urban revitalization projects with revenue bonds. The bonds are retired with the proceeds created by the project and are not the responsibility of the locality or the State. In some states authorities utilize Tax Increment Financing, and certain districts may levy additional taxes. Authorities can not make a profit on their projects, and all moneys they receive must be used to complete their work and retire their financial obligations. To revitalize communities, authorities generally acquire and prepare land and facilities for sale or lease, improve or construct infrastructure, and build or renovate low-income housing.

In some instances urban revitalization projects are performed in special districts that have similar statutory powers as authorities. Special districts perform specific duties such as transportation improvements, sanitation services, and water and soil conservation. Like authorities, special districts have general powers to construct, lease, and sell property, enter into contracts, operate facilities, and perform other work necessary to provide their mandated service to the district.

State-wide authorities are created primarily for the purpose of financing large or multi-jurisdictional projects. Such state authorities may issue bonds for school, road, or hospital construction, or to construct or maintain airports and seaports. Unlike locally created authorities, state authorities can issue bonds backed by the full faith and credit of the state.

### **Federal Involvement**

26 U. S. C. Subtitle A, Chapter 1, Subchapter B, Part IV  
Tax-Exemption Requirements for State and Local Bonds.

### **Extent of Utilization**

The subdivision of local governments into authorities empowered to perform specific tasks is common throughout the United States, and there are thousands of such authorities and districts in most states. All cities, towns, and counties in Virginia have the ability to create an authority to promote the welfare of the community, and most of them have done so. In many instances the authorities overlap municipalities, as is allowable, creating a shared service provision or project that may involve a town and the county around it or a city and the county around it, thus forming a regional approach to the promotion of the welfare of the inhabitants.

### **Statutory Authority for Utilization in Virginia**

Chapter 49, Title 15.2, Code of Virginia; Industrial Development and  
Revenue Bond Act.

Chapter 51, Title 15.2, Code of Virginia; Water and Waste Authority  
Act.

§15.2-5152 et seq., Code of Virginia; Community Development Authorities.  
Chapter 1, Title 36, Code of Virginia; Housing Authorities Law.

### **Effectiveness of Program**

Authorities can be very effective in attracting business and industry to a locality. The ability to issue revenue bonds is a powerful tool for getting things done, and most often these bonds are successfully retired with the revenue that they generate. Because authorities are separate units of government they avoid public and political debate over the expenditure of public funds. As authorities are self-financing entities, they do not use a locality's general funds nor contribute to a locality's debt limitation. However, authorities also make land use decisions, or attract certain businesses, that can have an impact on a community that not all citizens support. Often the public is unaware of the authority's work. An authority may create the conditions for a new business to locate in a community, providing tax revenue and employment. However this may also cause an increase in service demands, schools, and roads.

Housing authorities provide low-income housing at a time when such affordability is becoming increasingly scarce. Though much good work has been done by housing authorities, there continues to be a shortage of affordable housing in most cities. High crime, high unemployment, and substandard housing is common in many urban neighborhoods, and this condition is proving to be difficult for localities, and housing authorities, to change.

Authorities and special districts are effective instruments to address many of the specific economic, housing, and service requirements of localities. Their ability to issue bonds, charge fees, acquire land, and enter into contracts, gives them broad powers to revitalize urban communities. Appointed members of authorities and special districts are also insulated from public scrutiny and voter approval in their decisions. This lack of accountability for such important public work can sometimes create perceptions of abuse of power and conflict of interest.

### **Selected Bibliography**

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Neal, Tina K., "Community Development Authorities: A New Tool for Localities," **Virginia Review**, September/October 1998.

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Roanoke, VA 24018-0798  
Tel: 540-772-2124

Mark R. Kilduff, Executive Director  
Virginia Economic Development Partnership  
P.O. Box 798  
Richmond, VA 23206  
Tel: 804-371-8105

**PROGRAM/PROJECT**

Virginia Small Business Financing Authority  
Tax-Exempt and Taxable Industrial Bond  
Programs

**CONTACT**

Karen Aylward  
Virginia Small Business Financing Authority  
P.O. Box 446  
Richmond, VA 23218-0446  
Tel: 804-371-8200

**DESCRIPTION**

The Virginia Small Business Financing Authority Program offers assistance to qualifying businesses for buying, building, and equipping commercial, industrial and manufacturing facilities through long term bonds. These bonds are backed by the full faith and credit of the Commonwealth.

**PROGRAM/PROJECT**

Fairfax County Economic Development  
Authority (FCEDA)  
Fairfax County, Virginia

**CONTACT**

Director  
Fairfax County Economic Development  
Authority  
8300 Boone Blvd., Suite 450  
Vienna, VA 22182-2633  
Tel: 703-790-0600

**DESCRIPTION**

Fairfax County, Virginia has become a national center for technology-related business and industry. A strong fiber-optic telecommunications and transportation infrastructure, including two interstate highways and Dulles International Airport, have attracted computer industries from around the world. The Fairfax County Economic Development Authority promotes business location and facility site selection, and has attracted numerous foreign and domestic companies and thousands of jobs to the county each year for many years. FCEDA reports that in 1998 their efforts helped to expand or relocate 94 businesses in the county, creating more than 7,000 new jobs.

**PROGRAM/PROJECT**

Rowes Wharf  
Boston, Massachusetts

**CONTACT**

Boston Redevelopment Authority  
1 City Hall Square  
Boston, MA 02201  
Tel: 617-248-1937

Skidmore, Owings, & Merrill  
224 S. Michigan Avenue, Suite 1000  
Boston, MA 02201  
Tel: 312-554-9090

**DESCRIPTION**

The Boston Redevelopment Authority sponsored a competition for development of a downtown waterfront section of the city with certain criteria for how the development must appear and function. Skidmore, Owings, and Merrill won the competition and Rowes Wharf was constructed as a mixed-use space on Boston Harbor. The five-acre facility is a combination of office, condominium, hotel, parking, restaurant, commercial, and boat docking space. Two-thirds of the area is reserved for open public space. The project was privately financed without public funds.

**PROGRAM/PROJECT**

Washington's Landing  
Pittsburgh, Pennsylvania

**CONTACT**

Urban Redevelopment Authority  
200 Ross Street  
Pittsburgh, PA 15219-2016

**DESCRIPTION**

The Urban Redevelopment Authority prepared Herr's Island in the Allegheny River for redevelopment by removing blighted structures and constructing a public park and pedestrian trail around the 40 acre island. The island has been developed through partnerships and private investment to include a full service marina, townhouses, homes, a rowing center, tennis courts, and office, light industrial, and research facilities. The \$70 million public/private redevelopment of the island generates approximately \$1 million in tax revenue annually to the city and returns to productivity an area that was an abandoned brownfield.

**PROGRAM/PROJECT**

Housing Authority of Savannah (HAS)  
Savannah, Georgia

**CONTACT**

Housing Authority of Savannah  
Public Relations Office  
P.O. Box 1179  
Savannah, GA 31410  
Tel. 912-235-5800

**DESCRIPTION**

The Housing Authority of Savannah operates a Convention Public Housing program with a population of more than 8,000 residents. HAS provides programs in work experience, computer skills training, GED study, and drug prevention. HAS expends no local taxes and operates entirely through federal grants and rental income. The Housing Authority of Savannah is rated a "High Performer" by the U. S. Department of Housing and Urban Development (HUD).

**PROGRAM/PROJECT**

Raleigh Housing Authority (RHA)  
Raleigh, North Carolina

**CONTACT**

Raleigh Housing Authority  
600 Tucker Street  
Raleigh, NC 27603  
Tel. 919-831-6416

**DESCRIPTION**

The Raleigh Housing Authority manages approximately 2,000 units of public housing and 1,700 Section 8 certificates and vouchers. Using federal grants and rental incomes, the RHA operates with an annual budget of approximately \$30 million. Active in home-ownership, drug elimination, community learning centers, and family self-sufficiency programs, the RHA is rated a "High Performer" by HUD and operates without public expense to the citizens of the City of Raleigh.

**PROGRAM/PROJECT**

Chanhassen Economic Development Authority  
Chanhassen, Minnesota

**CONTACT**

Chanhassen Economic Development Authority  
690 City Center Drive  
Chanhassen, MN 55317  
Tel. 612-937-1900

**DESCRIPTION**

The Chanhassen Economic Development Authority has helped redevelop downtown Chanhassen through site development, infrastructure improvement, and job creation. Since 1981, the authority's work has assisted in approximately \$100 million in commercial and industrial development, almost 8,000 jobs, 200 housing rental units, and \$60 million in road, sewer, and water improvements.



## **PRIVATE INITIATIVES - OVERVIEW**

Nonprofit, Faith-Based, Corporate, Foundation, Community, or  
Citizen-Initiated Revitalization Programs  
Community Development Corporations

### **Description of Major Features**

Many revitalization programs and projects are conducted by private organizations. These organizations can be charitable or profit driven. In 1995 Americans made charitable donations totalling more than \$143 billion. Corporations accounted for approximately \$7 billion of this total, with individual donations comprising approximately \$126 billion and foundations providing more than \$10 billion. It is apparent, however, that not all of these funds went to urban revitalization projects, but donations to rescue squads, fire departments, parks, libraries, schools, the fine arts, and homeless shelters, to name a few recipients, are valuable contributions to community redevelopment efforts.

Private charitable initiatives usually focus on those situations where things have “fallen through the cracks,” and concentrate on augmenting or replacing public services in these instances. These organizations address social problems such as homelessness, substance abuse, illiteracy, and job training, along with supporting the fine arts, historical preservation, public park initiatives, and housing issues. Private charities do much to alleviate problems in urban centers, often without any fanfare or notice.

Corporate or individual entities, are increasingly reinvesting in urban properties to expanding housing, commerce, and employment opportunities. Often these investments are in the reuse of abandoned structures which provide housing and business opportunities, but also increase the tax revenues of the community. In some instances, entire districts of cities once abandoned and blighted, have been revitalized through entrepreneurial efforts.

Private community development corporations (CDC's) are organizations dedicated to renewing neighborhoods and communities at a grass-roots level. Usually operated by residents of the community they seek to revive, these corporations work to provide services such as housing, child care, job training, and structural construction and renovation. Some CDC's have secured funding from banks, corporations, and foundations to allow for extensive community revitalization work. A popular method is to establish revolving loan funds for business or housing development purposes.

## **Federal Involvement**

Federal legislation defines and regulates those organizations that perform a public service and are exempt from federal taxation. Most states apply this status to their own taxation laws.

26 U. S. C. Subchapter F Exempt Organizations.

## **Extent of Utilization**

Private initiatives exist in every city. Charitable, nonprofit, religious, and corporate sponsorship of revitalization efforts covers a broad range of activities in every city. However, as discussed previously in this section, wholesale renewal efforts on the part of private nongovernmental entities is usually beyond the scope of their financial capability. Much of what is done now falls into the category of “partnerships” as discussed in a previous section of this catalog.

In every city in Virginia there are private organizations that work to redevelop and better the community. Volunteers and charities address a broad spectrum of concerns, some involving the physical, and others the human conditions of the locality.

Community development corporations have become a popular vehicle for securing the financial means to revitalize neighborhoods and communities. Additionally, there are thousands of community and economic development philanthropic organizations in the United States.

Business Improvement Districts (BID's) are formed by property owners in order to provide extra services to commercial districts such as additional security, street and sidewalk cleaning, landscaping, building improvements, and general beautification. Property owners in the district levy a tax on themselves to finance such projects and employ a president of operations. The city can also participate, forming a public-private partnership to provide services, or the city can designate an area as a service district and levy an additional tax on properties in the district for the purpose of providing these additional services.

Older and abandoned property is being rehabilitated by private companies or individuals for its profitability as apartments, lofts, shops, restaurants, and other purposes. Though these projects are not usually coordinated revitalization programs they accomplish the same thing, returning property to productive use. Collectively they change sections of cities dramatically. This practice is now common in most urban locations.

### **Statutory Authority for Utilization in Virginia**

§58.1-609.8, Code of Virginia; Nonprofit Civic and Community Service Exemptions.

§58.1-3617, Code of Virginia; Churches, Religious Associations or Denominations.

§57-49, Code of Virginia; Registration of Charitable Organizations.

### **Effectiveness of Program**

Private initiatives have a profound, if immeasurable, effect on the quality of life in our cities. Cities would be far less livable and hospitable today if it were not for all the volunteers that assist the youth, elderly, sick, poor, homeless, and hopeless, and those that privately finance such efforts. An integral part of urban revitalization is the welfare of the citizenry and their quality of life, not simply new businesses or retail centers. Where private initiatives cannot alleviate all the physical ills of the city due to such enormous costs, they do much for the people that live there, and their work and initiatives, costing the taxpayer nothing and benefitting him greatly, have a tremendous effect on not only those that receive a direct benefit, but those who may be unaware of their work as well.

Grass-roots citizen organizations and community development corporations work to improve their neighborhoods physically and socially. Foundations and corporations provide funding for a variety of causes and projects. Faith-based organizations often assist people with housing and social problems. Clubs and civic organizations sponsor revitalization activities, promote the arts, and preserve historical properties. Private individuals have found that rehabilitating abandoned property can be profitable.

Private organizations and individuals are often the catalysts in creating the partnerships that have become an increasingly important interaction in urban revitalization projects. President Reagan promoted the notion that the private sector would accomplish much if government stayed out of the way, and it is true that many individuals and organizations feel that they can do more without the oversight and “red tape” of government. But wholesale renewal of decaying urban centers by the private sector has not materialized, and many cities are faced with outdated infrastructure systems and blighted structures that are simply out of the financial ability of any nonprofit organization or foundation to correct.

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### **Principal Governmental and Academic Contacts**

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National Civic League  
Attn: Alliance for National Renewal  
1319 F Street, NW #204  
Washington, DC 20004  
Tel: 202-783-2961

Julia Burgess, Eastern Region Director  
Center for Community Change  
1000 Wisconsin Avenue, NW  
Washington, DC 20007  
Tel: 202-342-0519

Tyler Norris  
Coalition for Healthier Cities and Communities  
2119 Mapleton Avenue  
Boulder, CO 80304  
Tel: 303-444-3366

Douglas G. Greenwell  
The Atlanta Project  
P.O. Box 5317  
Atlanta, GA 30307  
Tel: 404-881-3400

**PROGRAM/PROJECT**

The Atlanta Project  
Atlanta, Georgia

**CONTACT**

Office of Public Information  
The Carter Center  
453 Freedom Parkway  
Atlanta, GA 30307  
Tel: 404-331-3900

**DESCRIPTION**

Founded by The Carter Center, The Atlanta Project began in 1991 as a private, nonprofit, nongovernmental program to help address the needs of the citizens of Atlanta. It is a massive program with thousands of volunteers partnering with corporations, universities, government agencies, and community organizations to coordinate service deliveries, provide education, and involve citizens in self-help and self-improvement projects. The program has targeted such problems as child immunization and nutrition, crime, unemployment, and teen pregnancy. Though primarily a technical assistance program, the Atlanta Project also helps to raise funds for community development causes and organizations.

**PROGRAM/PROJECT**

Habitat for Humanity

**CONTACT**

Habitat for Humanity International  
121 Habitat Street  
Americus, GA 31709-3498  
Tel: 912-924-6935

**DESCRIPTION**

Habitat for Humanity is a faith-based nonprofit organization that uses volunteers and donated materials to provide housing for low-income people around the world. Houses are sold at cost with zero-interest mortgages. The organization will not accept public funds, but will use publicly donated land. Habitat has affiliations in all fifty states, and families in need of housing apply to these local organizations for consideration and selection. Since 1976 Habitat for Humanity has built more than 70,000 homes.

**PROGRAM/PROJECT**

Cleveland Works  
Cleveland, Ohio

**CONTACT**

Executive Director  
812 Huron Road SE, Suite 800  
Cleveland, OH 44115  
Tel: 216-589-9675

**DESCRIPTION**

A nonprofit organization supported by grants and donations, the Cleveland Works program was initiated to train welfare recipients to become employable members of the work force through a month-long Job Readiness Workshop, followed by training in more specific skills such as computers and typing. The organization has trained thousands of persons and through a network of hundreds of businesses has placed approximately half of its graduates into full-time jobs with full health benefits.

**PROGRAM/PROJECT**

Brothers Redevelopment, Inc.  
Denver, Colorado

**CONTACT**

Joe Giron, President  
1111 Osage St., Suite 210  
Denver, CO 80204  
Tel: 303-892-8352

**DESCRIPTION**

Brothers Redevelopment, Inc. began as a small neighborhood housing repair project using volunteers to help individuals and families improve their homes. In more than twenty years, the nonprofit company has grown into a multi-million dollar enterprise offering many programs and opportunities for home repair, construction, and ownership. Programs operated by Brothers Redevelopment include:

Neighborhood Caretakers Program - Targeting housing repair and maintenance, this volunteer program helps low-income homeowners with the physical upkeep of their properties. The program helps approximately 1000 homeowners a year.

Adopt-a-Block - This effort utilizes volunteers, supported by corporate and city donations, to clean, paint, and repair an entire neighborhood block of housing at one time.

Paint-a-Thon - Volunteers use donated supplies to paint approximately 1000 houses on one day.

**PROGRAM/PROJECT**

Inner City Ventures Fund  
National Trust for Historic Preservation

**CONTACT**

National Trust for Historic Preservation  
1785 Massachusetts Avenue, NW  
Washington, DC 20036  
Tel: 202-673-4054

**DESCRIPTION**

The Inner City Ventures Fund, with approximately \$4 million in reserve, offers grants, loans, and other assistance to nonprofit community based organizations. The fund was established with grants from both government and private organizations and foundations. Since its creation, this fund has assisted in the rehabilitation of more than 1,000 housing units and approximately 50 businesses, creating more than 800 jobs.

**PROGRAM/PROJECT**

Isles, Inc.  
Trenton, New Jersey

**CONTACT**

Executive Director  
Isles, Inc.  
10 Wood Street  
Trenton, NJ 08618  
Tel: 609-393-5656

**DESCRIPTION**

Isles, Inc. is a diversified community development organization with programs in urban gardening, housing rehabilitation and construction, job training, and education. With an annual budget of \$1 million from both public and private sources, Isles has been able to train at-risk youths in construction trades, and to rehabilitate or construct approximately 100 homes in 1997 alone. The Community Garden Project has replaced approximately 70 vacant lots with urban gardens that produce an income of more than \$150,000 each year. The organization has also created a \$7 million community development loan fund, and joined with a construction firm to convert an empty factory into approximately 45 apartments and space for nonprofit organizations.

**PROGRAM/PROJECT**

Nehemiah Plan Homes  
Brooklyn, New York

**CONTACT**

General Manager  
c/o Our Lady of Mercy Church  
680 Mother Gaston Blvd.  
Brooklyn, NY 11212  
Tel: 718-346-2929

**DESCRIPTION**

The Nehemiah Plan Homes Program was initiated by a coalition of 46 religious congregations to provide a way to reuse vacant and blighted land for the construction of 5,000 homes for low- and moderate-income families in Brooklyn. A \$6 million revolving loan trust was created from religious denominations to provide no-interest construction financing. The City of New York donated the vacant land and agreed to defer taxes on the property for ten years. The city also gives a \$10,000 no-interest loan to each buyer, to be paid back only if the home is sold. The New York State Mortgage Agency provides below market mortgages. These actions allow a family with an income of \$20,000 to purchase a home for a down payment of \$5,000. More than 900 homes have been built under this continuing program.

**PROGRAM/PROJECT**

Swiss Bear, Inc.  
New Bern, North Carolina

**CONTACT**

Swiss Bear, Inc.  
P.O. Box 597  
New Bern, NC 28563-0597  
Tel: 919-638-5781

**DESCRIPTION**

Swiss Bear, Inc. began in 1980 as a nonprofit 501(c)(3) organization to help save the blighted downtown of New Bern, North Carolina. Using a \$1.9 million HUD Urban Development Action Grant to initiate reinvestment, a \$13 million Sheraton Hotel and Marina were constructed on vacant waterfront property. Business and investment followed, renovating 70 buildings for 80 new businesses and more than 1,000 jobs. The vacancy of downtown commercial space dropped to 3% from 50% and reinvestment in the area reached \$60 million. New Bern is also a National Main Street Program participant.



**PROGRAM/PROJECT**

New Community Corporation (NCC)  
Pathmark Shopping Center  
Newark, New Jersey

**CONTACT**

Director of Public Affairs  
New Community Corporation  
233 West Market Street  
Newark, NJ 07103  
Tel: 201-639-7805

**DESCRIPTION**

In Newark, New Jersey, citizens wanting a neighborhood grocery and drugstore formed a nonprofit organization to develop the Pathmark Shopping Center. Taking seven years and a precedent-setting legal battle to use the power of eminent domain, the corporation acquired the property and constructed the shopping center at a cost of \$19 million. NCC has become one of the largest community development corporations in the nation, with assets of \$300 million. It offers and maintains programs in education, housing, day care, and business and economic development.

**PROGRAM/PROJECT**

Norfolk Works, Inc. (NWI)  
Norfolk, Virginia

**CONTACT**

Norfolk Works, Inc.  
201 Granby St., Suite 100A  
Norfolk, VA 23510  
Tel: 757-624-8650

**DESCRIPTION**

Using federal Empowerment Zone/Enterprise Community grant funds, Norfolk Works, Inc., a nonprofit corporation, develops a skilled work force for low- and moderate-income residents by providing employment and educational assistance while working with businesses and employers. NWI has built partnerships in the business community and with Tidewater Community College to provide training and certification classes and has helped approximately 400 persons obtain full-time jobs.

**PROGRAM/PROJECT**

Post Office Square  
Boston, Massachusetts

**CONTACT**

City of Boston  
Parks and Recreation  
1010 Massachusetts Avenue  
Boston, MA 02118  
Tel: 617-635-4505

Friends of Post Office Square, Inc.  
Tel: 617-423-1500

**DESCRIPTION**

Post Office Square is a privately financed project with \$80 million invested to build an underground parking lot with a two-acre park above it in downtown Boston. A preferred stock offering and parking fees will be used to retire the debt, at which time the park and garage will be given to the city. Replacing an above ground parking deck with the park has increased the property value and commercial activity of adjoining properties.

**PROGRAM/PROJECT**

Vermont National Bank's Socially Responsible  
Banking (SRB) Fund  
Brattleboro, Vermont

**CONTACT**

Vermont National Bank  
P.O. Box 804  
Brattleboro, VT 05302  
Tel: 802-258-4090

**DESCRIPTION**

This program allows customers of the bank to designate their deposits to be used only for loans to housing, construction, educational, and small businesses organizations. In 1995 the SRB Fund had \$50 million in loans to organizations and small businesses, from more than 9,000 accounts worth over \$80 million. Loans are structured to the specific needs of clients, including flexible payment schedules based on seasonal profits, and are reviewed by 12 community representatives that form the SRB Fund advisory board.

**PROGRAM/PROJECT**

The Tobacco Company Restaurant  
Richmond, Virginia

**CONTACT**

The Tobacco Company Restaurant  
1201 East Cary Street  
Richmond, VA 23219  
Tel: 804-782-9555

**DESCRIPTION**

The Tobacco Company Restaurant was constructed in an empty tobacco warehouse in the Shockoe Slip area of downtown Richmond. The renovation, which was financed privately and used historic rehabilitation tax credits, encouraged other investment in Shockoe Slip, and the area has become a popular destination for residents and visitors to the city. The popular restaurant is consistently voted one of the city's best and provides employment for more than 250 people.

## **SUSTAINABLE GROWTH - OVERVIEW**

Sustainable Development

Smart Growth

Conservation and Environmentally Sensitive Revitalization

### **Description of Major Features**

Sustainable growth is a movement toward new practices in land use and development that has become a national debate on community planning and economic development. At the core of the sustainable growth movement is environmental protection, open space and energy conservation, and urban sprawl control. The principles of sustainable growth often conflict with the goals of developers, land owners, and localities seeking increased tax revenue through new industry, commerce, housing, and higher property values. Though sustainable growth is a debate focusing largely on development in suburban and rural communities, it will have a profound impact on the future revitalization of cities.

The construction of suburban neighborhoods, industries, and businesses inevitably creates the need for public spending on roads and schools, water, sewer, and waste systems, police and fire protection, and general government expansion. Abandoned urban industrial acreage, older urban infrastructure, and blighted areas in the city await redevelopment but often lose out to the suburbs in terms of private investment and public expenditure.

The management of suburban development through land use legislation, such as noncommercial or low-density zoning determinations, and higher development impact fees, could force investors and developers to view urban locations as a favorable alternative. Cities would then benefit from the reinvestment in abandoned properties, and from the job creation, commerce, and tax revenue that ensue.

The proponents of sustainable growth are often suburbanites who once moved to areas outside of the cities for the open space and semi-rural environment it afforded and have become engulfed in ever-increasing residential and commercial development, traffic congestion, and the loss of farm land and open space. State and local governments have found it difficult to provide funding for the transportation needs, educational requirements, and other health and service demands that these expanding communities generate.

Many cities have recently experienced a resurgence of redevelopment and reinvestment that may or may not be related to sustainable development. Vacant properties continue to be rehabilitated, blighted structures are being replaced by new construction, urban parks are being

constructed on former industrial sites, and waterfront property is being redeveloped into many public and private uses.

What is often absent in this redevelopment is affordable housing for low and moderate-income individuals and families. One of the principles of sustainable growth is the higher population density on property that is already developed. This allows land to remain undeveloped and concentrates population density in areas that are served by existing infrastructure and mass transit systems.

Though sustainable growth is a continuing debate and process, the employment of preservation and conservation land-use practices outside of our cities can help to spur reinvestment and redevelopment inside of them.

### **Federal Involvement**

The Federal Government offers tax incentives to developers and individuals through a variety of programs to promote sustainable growth practices. Many of these incentives are intended for urban brownfield rehabilitation and are administered through the Environmental Protection Agency. However, government programs to encourage business and highway construction also encourage development and sprawl.

Subject research reports and strategies are available through the President's Council on Sustainable Development. Congressman Earl Blumenauer (D-Oregon) steers the Livable Communities Task Force which studies and proposes sustainable growth legislation.

### **Extent of Utilization**

Eleven states have enacted comprehensive sustainable growth legislation. Oregon is considered a leader in smart growth legislation, having enacted laws to protect farmland and open space outside of urban boundary zones. Maryland has recently enacted a public facilities law which restricts state investment in new road, water, and sewage construction in rural areas. New Jersey citizens voted to raise taxes for the purpose of creating a fund that will purchase half of all remaining undeveloped land in the state. Rhode Island is investing in alternative forms of transportation to lessen new road construction and automobile dependency.

Most of the existing legislation is designed to accomplish two purposes: to lessen the development of land in suburban and rural locales, and to redirect investment in urban areas.

The dominating stimulus for sprawl and open space development is the construction of new roads. States spend more than half of the federal money they receive on highway construction.

An increasing practice to prevent suburban and rural development is for state and local governments to purchase tracts of undeveloped land. Nationally, more than \$7 billion has been used for this purpose. Nonprofit organizations also purchase land through trust funds and private donations. Despite these efforts approximately one million acres of farmland and open space are developed each year.

Federal and state governments encourage reinvestment in urban localities through tax incentive programs. The establishment of Enterprise and Empowerment Zone Programs is common in most cities. Many states have programs to encourage brownfield cleanup and the federal government has similar programs.

There has been a national increase in urban park creation and research concludes that such land use has had a positive impact on adjoining property values. Many cities place requirements on urban construction to include open space in their design.

### **Statutory Authority for Utilization in Virginia**

Virginia does not have laws pertaining to sustainable growth at this time. There are sections of the Code of Virginia that regulate zoning, land subdivision, and impact fees.

Chapter 22, Title 15.2, Code of Virginia; Planning, Subdivision of Land, and Zoning.

### **Effectiveness of Program**

Sustainable development practices have had a positive impact on urban revitalization. Cities have seen an increase in urban park development and brownfield cleanup and reuse. Many abandoned structures such as former department stores and warehouses have been successfully renovated into restaurants, housing, and commercial space. Many cities have extensive tree planting and landscaping programs. Recycling has become commonplace. Air and water quality has been improved. Energy efficient street lighting, construction methods and materials, and mass transit systems have been designed.

Cities continue to compete with suburban areas for public and private investment. Affordable housing is becoming an increasing problem for low- and moderate-income individuals and families. High density housing and the use of automobile reducing mass transit systems continue to be unrealized sustainable development goals.

An overwhelming majority of states do not have sustainable development legislation and growth is generally encouraged without management systems in place. Local governments make most land use and zoning decisions.

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Department of Urban and Environmental Planning, University of Virginia, "Metropolitan Sprawl in Virginia," prepared for the Commission on Population Growth and Development, 1994.

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University of Virginia  
Charlottesville, VA 22903  
Tel: 804-982-2196

**PROGRAM/PROJECT**

Live Near Your Work Program  
State of Maryland

**CONTACT**

Maryland Department of Housing and  
Community Development  
Division of Neighborhood Revitalization  
Maryland Revitalization Center  
1201 West Pratt Street, Suite D  
Baltimore, MD 21223  
Tel: 410-209-5807

**DESCRIPTION**

This program is designed to stimulate home ownership in designated revitalization neighborhoods. The Maryland Department of Housing and Community Development, in partnership with participating employers and local governments, offers \$3,000 grants to employees who purchase homes within these neighborhoods. Approximately 120 employees have purchased homes through this new program.

**PROGRAM/PROJECT**

Chattanooga Electric Vehicle Initiative  
Chattanooga, Tennessee

**CONTACT**

City of Chattanooga  
Chattanooga Area Regional Transportation  
Authority  
100 East 11th Street  
Chattanooga, TN 37402  
Tel: 423-629-1411

**DESCRIPTION**

The City of Chattanooga desired a sustainable form of downtown transportation, and Advanced Vehicle Systems Company was formed to provide the city with fifteen electric shuttle buses to provide free transportation throughout the downtown corridor of the city. Demonstrating the feasibility and benefits of a non-polluting mass transit system has enabled the company to produce and sell 50 of the electric buses to other U.S. cities and to Costa Rica.



**PROGRAM/PROJECT**

Friends of the Urban Forest  
San Francisco, California

**CONTACT**

Clifford Janoff, Executive Director  
512 Second Street, 4th Floor  
San Francisco, CA 94107  
Tel: 415-543-5000

**DESCRIPTION**

Friends of the Urban Forest is an organization that plants and maintains trees in San Francisco. Funded by public grants and private donations, the organization works with neighborhood volunteers and organizations to provide educational services, permits, concrete breaking, and tree delivery. Since 1981 the organization and its partners have planted more than 15,000 trees throughout the city.

**PROGRAM/PROJECT**

National Surplus Exchange Program  
Kansas City, Missouri

**CONTACT**

The National Surplus Exchange Program  
1600 Genesse  
Kansas City, MO 64102  
Tel: 816-421-1080

**DESCRIPTION**

This nonprofit program provides 501(c)(3) charitable organizations with equipment and materials through recycling items donated by area businesses. Organizations pay a \$50 lifetime membership fee and a handling fee for each piece of equipment obtained resulting in a saving of more than 50% on market value items. In addition, the program diverts approximately 40,000 cubic feet of landfill waste. The program has 3,000 donor associations and 1,200 member charities and is self-sufficient, requiring no public assistance.

**PROGRAM/PROJECT**

The Trust for Public Land

**CONTACT**

Trust for Public Land  
116 New Montgomery Street, 4th Floor  
San Francisco, CA 94105  
Tel: 415-495-4014

**DESCRIPTION**

Founded in 1972, the nonprofit Trust for Public Land works to protect land for public use. Active in 45 states, the trust purchases property to protect wildlife and the environment and to create urban gardens, parks, and greenways, including more than 1,500 projects involving one million acres. The trust has also helped to convert more than 20 urban brownfield sites into urban parks, and purchases land outside of cities to prevent sprawl. Land acquired by the trust is often donated or sold to the local government to be used as public parks, open space, farmlands, wetlands, and greenways.

**PROGRAM/PROJECT**

Urban and Community Forestry Assistance  
Grants  
Commonwealth of Virginia

**CONTACT**

Urban Forestry Coordinator  
Virginia Department of Forestry  
P.O. Box 3758  
Charlottesville, VA 22903  
Tel: 804-977-6555

**DESCRIPTION**

The Urban and Community Forestry Assistance Grants program uses federal funds administered through the Department of Forestry to promote tree planting and conservation education in localities across Virginia. Grants of approximately \$5,000 are awarded to local governments, schools, and community organizations on a 50% matching basis. The funds can be used to develop sustainable long-term community forestry programs.

**PROGRAM/PROJECT**

Smart Growth and Neighborhood Conservation  
Act  
State of Maryland

**CONTACT**

Maryland Office of Planning  
301 Preston Street, Room 1101  
Baltimore, MD 21201-2365  
Tel: 410-767-4500

**DESCRIPTION**

The State of Maryland has created several legislative initiatives since 1997 to accomplish three primary goals: 1) to promote development where infrastructure currently exists, 2) to preserve farmland and open space from development and urban sprawl, and 3) to limit tax expenditure on new infrastructure. To accomplish these goals Maryland has several programs, including the establishment of “priority funding areas”, the Rural Legacy Program, and the Smart Growth Transit Program. “Priority funding areas” are certified areas where infrastructure is already in place and investment will improve housing opportunities and job creation. The Rural Legacy Program aims to protect farmland and open space by purchasing acreage. More than 50,000 acres of land has been preserved through this program, with a goal of 200,000 protected acres by 2011. The Smart Growth Transit Program provides funds to stimulate investment in areas adjacent to major transit services, promoting efficient land use and mass transit ridership. These programs, and other state programs and incentives, redirect public and private investment to central cities and existing neighborhoods while preserving rural land from development and urban sprawl.

## GLOSSARY

**Adaptive Reuse** - renovation, rehabilitation of property for new purpose

**BID** - Business Improvement District

**Bond** - certificates of debt

**Brownfield** - abandoned property, often former industrial sites, with real or perceived contamination

**CDBG** - Community Development Block Grant

**CDC** - Community Development Corporation

**EPA** - U. S. Environmental Protection Agency

**General Obligation Bond** - backed by full faith and credit of a government entity

**Gentrification** - transforming low-income neighborhoods into higher-valued neighborhoods or properties

**Greenfield, Greenway** - open spaces, parks, walkways

**HOME** - Home Investment Partnership Program

**HUD** - U. S. Department of Housing and Urban Development

**Industrial Revenue Bond** - debt paid by industrial project earnings

**ISTEA** - Intermodal Surface Transportation Efficiency Act

**Leveraging** - using public funds to lure private investment

**Revenue Bond** - earnings from enterprise pledged to pay debt service

**Revolving Fund** - source money for specific purpose loans, repaid to maintain source

**SRO** - Single Room Occupancy

**Tax Abatement** - tax due is forgiven, excused

**Tax Credit** - deduction allowed from tax owed

**TIF** - Tax Increment Financing

**Trust Fund** - source money maintained by influx of new revenue

**Voucher** - portion of rent paid by government for qualified individuals expending more than 30% of income on housing

**501(c)(3)** - Section of U. S. Code containing regulations for nonprofit organization

## INTERNET RESOURCES

There is a wealth of revitalization information available on the internet. The following websites represent a sampling of the available information.

<http://redevelopfirst.org> - Redevelop First

[www.ncl.org/anr/ced.html](http://www.ncl.org/anr/ced.html) - The National Civic League

[www.grass-roots.org/topics.shtml](http://www.grass-roots.org/topics.shtml) - Local nonprofit programs, Robin Garr

[www.urban.org](http://www.urban.org) - The Urban Institute

[www.brunerfoundation.org](http://www.brunerfoundation.org) - The Randy Bruner Foundation

[www.huduser.org](http://www.huduser.org) - Department of Housing and Urban Development

[www.sustainable.doe.gov](http://www.sustainable.doe.gov) - Department of Energy

[www.epa.gov](http://www.epa.gov) - Environmental Protection Agency

[www.ncbn.org](http://www.ncbn.org) - National Community Building Network

[www.nlc.org](http://www.nlc.org) - National League of Cities

[www.policy.rutgers.edu](http://www.policy.rutgers.edu) - Bloustein School of Planning and Public Policy,  
Rutgers University

[www.alliance.napawash.org](http://www.alliance.napawash.org) - Alliance for Redesigning Government

[www.dhcd.state.va.us](http://www.dhcd.state.va.us) - Virginia Dept. of Housing and Community  
Development

[www.ncced.org](http://www.ncced.org) - National Congress for Community Economic Development

[www.bestpractices.org](http://www.bestpractices.org) - Best Practices for Human Development

[www.ida-downtown.org](http://www.ida-downtown.org) - International Downtown Association

[www.FDNcenter.org](http://www.FDNcenter.org) - The Foundation Center

[www.sierraclub.org](http://www.sierraclub.org) - The Sierra Club